



Charoen Pokphand Foods Public Company Limited

FOODS TO ENRICH LIFE

» Annual Report 2014



I

CONTENTS

2	ABOUT CPF	
	Message to Shareholders	2
	Operations in Brief	4
	Key Milestones	9

12	OPERATIONS AND PERFORMANCE	
	Our Operations	12
	Management's Discussion and Analysis	20
	Risk Factors	32
	Industry Overview	38

40	MANAGEMENT TOWARDS SUSTAINABILITY	
	Management	40
	Human Resources Management	59
	Corporate Governance	63
	Corporate Social Responsibility	81

84	SHAREHOLDERS AND DIVIDEND POLICY	
	Shareholders	84
	Dividend Policy	86

88	GENERAL INFORMATION OF THE COMPANY'S INVESTMENTS	
-----------	---	--

110	CONTACT US	
------------	-------------------	--

FINANCIAL STATEMENTS for the year ended 31 December 2014 and Independent Auditors's Report

Note :

"The Company" or "CPF Group" in this annual report refer to Charoen Pokphand Foods Public Company Limited ("CPF") and its subsidiaries which CPF directly or indirectly holds more than 50% of their paid-up capital and companies that CPF has control.

Investors may see more information of the Company in Annual Registration Statements 2014 (Form 56-1) posted on www.sec.or.th or www.cpfworldwide.co.th

I
FOODS TO
ENRICH LIFE



MESSAGE TO SHAREHOLDERS



In 2014, Charoen Pokphand Food PCL. and its subsidiaries (CPF) continued to run its operations to the best of its capability despite facing challenges from the oversupply of meat in the market or the carry over of the shrimp epidemic from 2013 which adversely impacted the Thai shrimp industry in 2013, but the situation is improving. The challenges have served to improve the Company's awareness and gain experience in handling difficult situations. Continuous effort has been put forth to find means to prevent and put in place processes and procedures to handle various potential problems.

Experts have been tapped to undertake research and development to improve products, services and work processes to enhance overall value to customers while diversifying its business risks through identifying and analyzing new opportunities to sustainably grow its revenue and profitability.

From the above measures taken to improve its operations, CPF believes that improved returns to shareholders can be sustained. In 2014, CPF's total sales revenue reached THB 426,039 million with a net profit earned of THB 10,562 million reflecting a 9 and 49% growth over 2013, respectively. It is the resolution of the Company's Board of Directors to propose to the 2015 Annual General Meeting of Shareholders (AGM) for a dividend payout of THB 0.75 per share which was paid as an interim dividend payment of THB 0.30 and a second dividend payment of THB 0.45.

With a culture emphasizing good corporate governance and transparency, CPF has earned the trust of investors and the investment community as reflected in the awards received by CPF in the category of Outstanding CFO in the Agribusiness Sector at the 2014 IAA Awards for Listed Companies by the Analysts Association. The Best Structured Equity Deal given at the IFA Awards 2014 for the issue of CPF's Exchangeable Bond further reflects the Company's creativity the interest in investing in the Company's financial instruments. The award is also a reflection of the effectiveness and efficiency in the area of financial management.

CPF today has expanded its global reach investing in countries with the highest rate of economic development and growth to synergize and integrate global demand. The expansion in reach lends to the

+9%

In 2014, CPF's total sales revenue reached THB 426,039 million reflecting a 9% growth over 2013.

Company's growth strategy growing the Company's top line revenue at least 10% in 2015. A greater proportion of the investment budget in 2014 was in the area of ready to eat foods for which the Company believes will be an important business segment going forward. To this end, an investment was made into Tops Foods NV of Belgium, a leading company in production of ready-to-eat meals using the latest technology of microwave sterilization. Another investment was made into BHJ Kalino Food AB, a leading distributor of chilled and frozen meat and ready-to-eat foods in Sweden. Investments were also made into Hefei Chia Tai Co., Ltd. and Kaifeng Chia Tai Co., Ltd., producers and distributors of animal feed in China. In 2015, CPF is planning to increase its investment in C.P. Cambodia (CPC) from 25% to 100% as growth is expected to be strong along with its potential for generating healthy returns. CPC's revenue totaled THB 8,309 million while earning a net profit of THB 740 million. This round of investment in CPC will propel CPF to be the leader in the agribusiness industry in IndoChina where the rate of economic growth and consumption is expected to be among the highest. Approval for further investment in CPC will be made at the upcoming AGM.



CPF believes that developing a strong solid base “food security” that emphasizes unparalleled quality and safety will lead to sustainable growth for the Company. Great emphasis and care have been placed on the details employing international best practice and standards at every stage throughout the Company’s supply chain. Consumers can trust and have confidence that the food consumed is fresh, hygienic and safe. CPF also places great emphasis on training and developing its human talent of every level to enhance efficiency at every point of operations. Human rights is very well observed internally and externally. A key philosophy of CPF is also to have a “society that is self-sufficient” with healthy surrounding on the basis of “land, water, forest being intact.” The Company also believes in managing and conserving natural resources in its production process while also conserving and restoring natural resources in and outside the Company. The conservation effort is to ensure health and sustainability of nature and thus the sustainability of the agribusiness industry over the long-term.

On behalf of the Board of Directors, Management and employees at CPF, we would like to thank our shareholders, customers, all relevant parties and local and foreign financial institutions in the ongoing trust bestowed upon CPF. As the leading regional agro-industrial and food conglomerate, CPF is inherently conscious of its role, duty and responsibility in providing an appropriate return to its shareholders and stakeholders. The Company is focused on ensuring healthy growth and is ready to be at the forefront of global integrated agro-industrial and food industry.

(Mr. Dhanin Chearavanont)
Chairman of
the Board of Directors

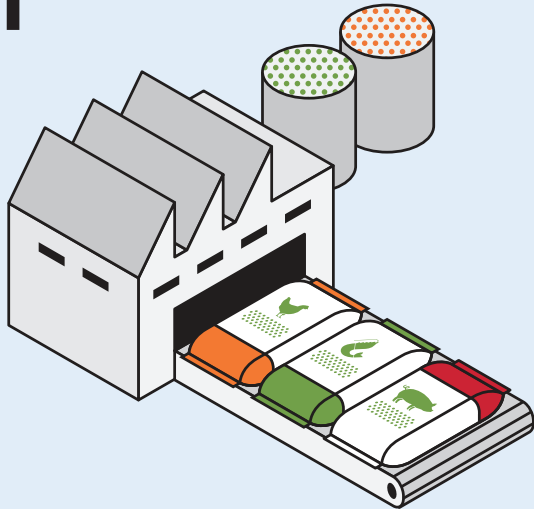
(Mr. Adirek Sripratak)
President and
Chief Executive Officer

OPERATIONS IN BRIEF

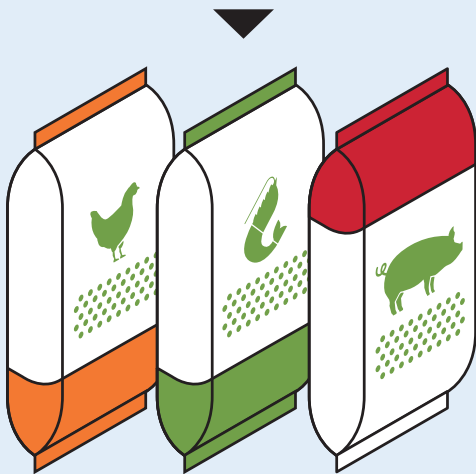
I

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.

1 FEED

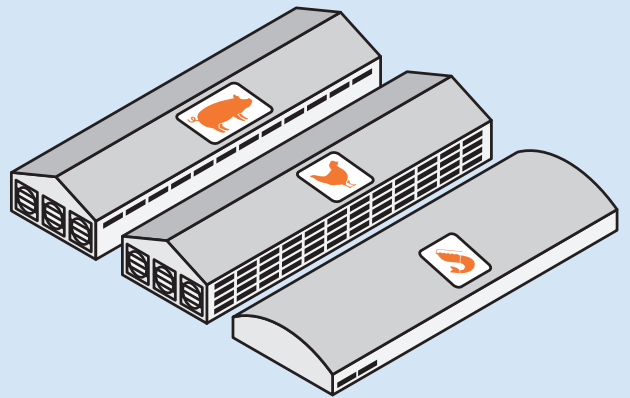


Feed Manufacturing



Animal Feed

2 FARM



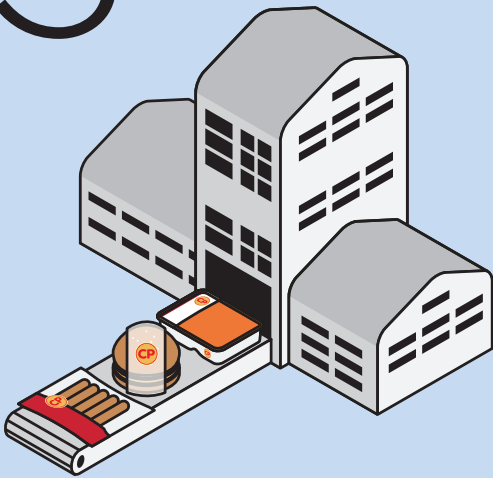
Breeding and Animal Farming



Fresh & Uncooked Meat

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.

3 FOOD

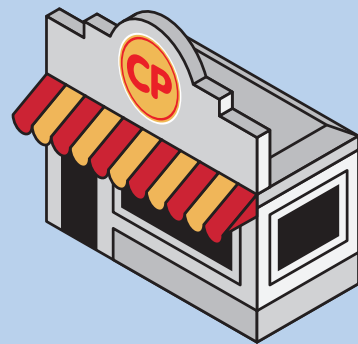


Production of Processed and Ready-to-eat Food

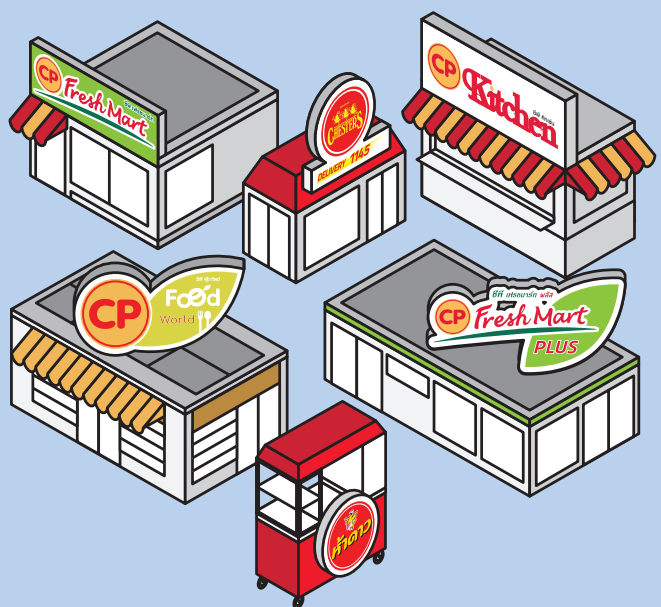


Cooked & Ready-to-Eat Meal

4 RETAIL & FOOD OUTLETS



Distribution Channels

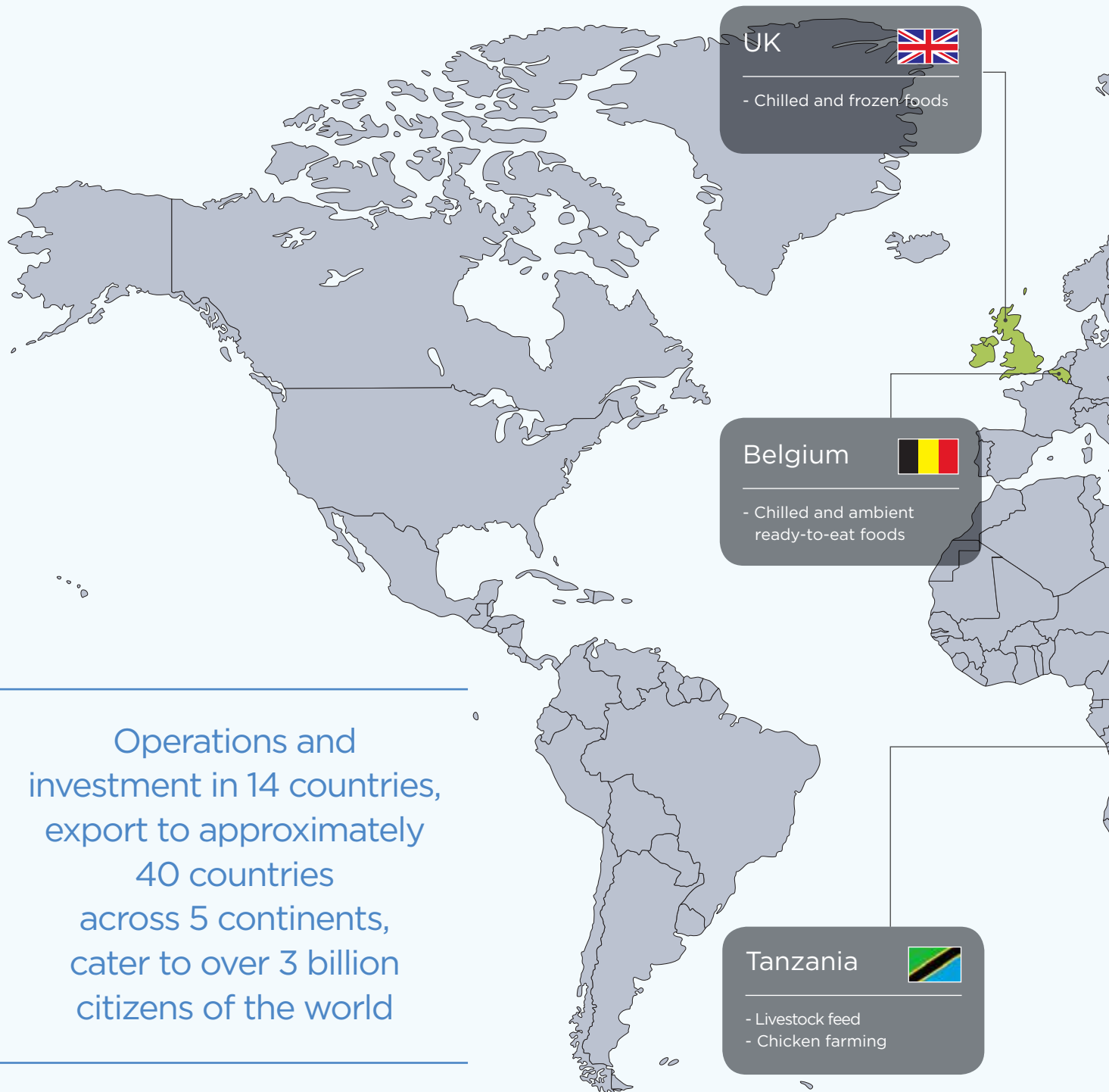


Food Retail Outlets, Restaurant & Food Courts

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 approximately 40 countries across 5 continents, cater to over 3 billion citizens of the world




THE COMPANY AT A GLANCE




Vision, Objectives, Target and Strategy

With a vision to become the “Kitchen of the World, the Company engages in integrated agro-industrial and food businesses and commits to providing products and services that are of high quality, nutritious, tasty, safe and traceable for a better quality life of consumers around the globe. At the same time, the Company is dedicated to operate the business with strict adherence to corporate social responsibility and environment conservation as a means of achieving sustainable growth leading to the continuous and appropriate return to our shareholders. The Company’s business strategy focuses on building strong fundamentals to ensure sustainable growth, of which the Company prioritize to cultivate our human resource capabilities and promote good corporate governance based on 3 strategic pillars: 1) growth 2) excellence and 3) fundamental.


The Company believes in long-term development of global agro-industry and food, aiming to use its agro-industrial expertise to invest in the overseas particularly in countries where meat consumption is on a high growth trajectory. At the same time, the Company aims to increase its value-added businesses by expanding its ready-to-eat and processed food products under  and other corporate brands, and increase distribution channels and export bases.

Business Operations Overview

CPF’s businesses are categorized into 4 major areas:

- 1) Feed business - manufacturing and sales of animal feed.
- 2) Farm business - animal breeding, animal farming, and basic meat processing.
- 3) Food business - production of processes partially-cooked and cooked meat as well as ready-to-eat food under the Company-owned brand,  brand and customers’ brands for sales domestically and overseas.
- 4) Retail business and food outlets - expands distribution channel via retail outlets and restaurants

Business operations are divided into 2 major categories:

1. **Thailand Operations** involve agro-industrial and food businesses for domestic distribution and export. The products include fresh meat, processed meat as well as ready-to-eat products under the Company’s brands  brand and the customers’ brands for sales to approximately 40 countries across 5 continents.

Thailand Operations which cover livestock and aquaculture include swine, broilers, layers, ducks, shrimp and fish. The production process starts from production of animal feed to animal breeding, animal farming, basic meat processing and partially-cooked and cooked meat as well as ready-to-eat products and retail and food outlets business.

2. **International Operations** cover agro-industrial and food businesses in 13 countries via subsidiaries in China, Vietnam, Turkey, India, Malaysia, the United Kingdom, Laos, Russia, the Philippines, Taiwan, Belgium and Tanzania as well as by an associated company in Cambodia.

The Company expands its production bases with intention to leverage its expertise and advanced technology in integrated agro-industrial and food in overseas countries where there are high potential in development of farming standards and commercial farming efficiency.

In 2014, revenue from the Thailand Operations accounted for 41% of consolidated sales while revenue from the International Operations reached 59% of consolidated sales. In addition to investment in subsidiaries, the Company also invested 25% in the associated company in Cambodia.

Key Milestones

In January 2014, CPF Europe S.A. (CPF EU), a subsidiary of CPF Investment Ltd. (CPFI)¹ with 99.99% stake, purchased 80.02% of total issued and paid-up share of Tops Foods NV (Tops Foods). Tops Foods, incorporated in Belgium, is involved in production and distribution of chilled and ambient ready-to-eat foods using microwave-based production technology.

In February and July 2014, Chia Tai (China) Investment Co., Ltd. (CTCI), an indirect wholly-owned subsidiary of C.P. Pokphand Co., Ltd (CPP)², acquired the entire investment in Hefei Chia Tai Co., Ltd. (HCT) and Kaifeng Chia Tai Co., Ltd. (Kaifeng). Both companies engage in production and sale of animal feed in China.

In March 2014, CPF Denmark A/S, a subsidiary of CPFI with 52% stake, acquired 29% shares in BHJ Kalino Food AB (BHJ). BHJ, incorporated in Sweden, involves in trading of chilled and frozen meat and food products in Sweden.

In September 2014, CPF and CPFI sold 25% of total issued ordinary shares of CPP to ITOCHU Corporation (ITOCHU) - a registered company in the Tokyo Stock Exchange. The disposal of CPP shares would strengthen the Company's financial position and lead to business alliance between the Company and the ITOCHU Group in CPP. After the completion of the deal, CPP remains a subsidiary of CPF in accordance with Thai Financial Reporting Standards which are currently in effect. CPF together with CPFI will own 50.43% of total issued share in CPP (or 47.83% of total issued ordinary shares in CPP).

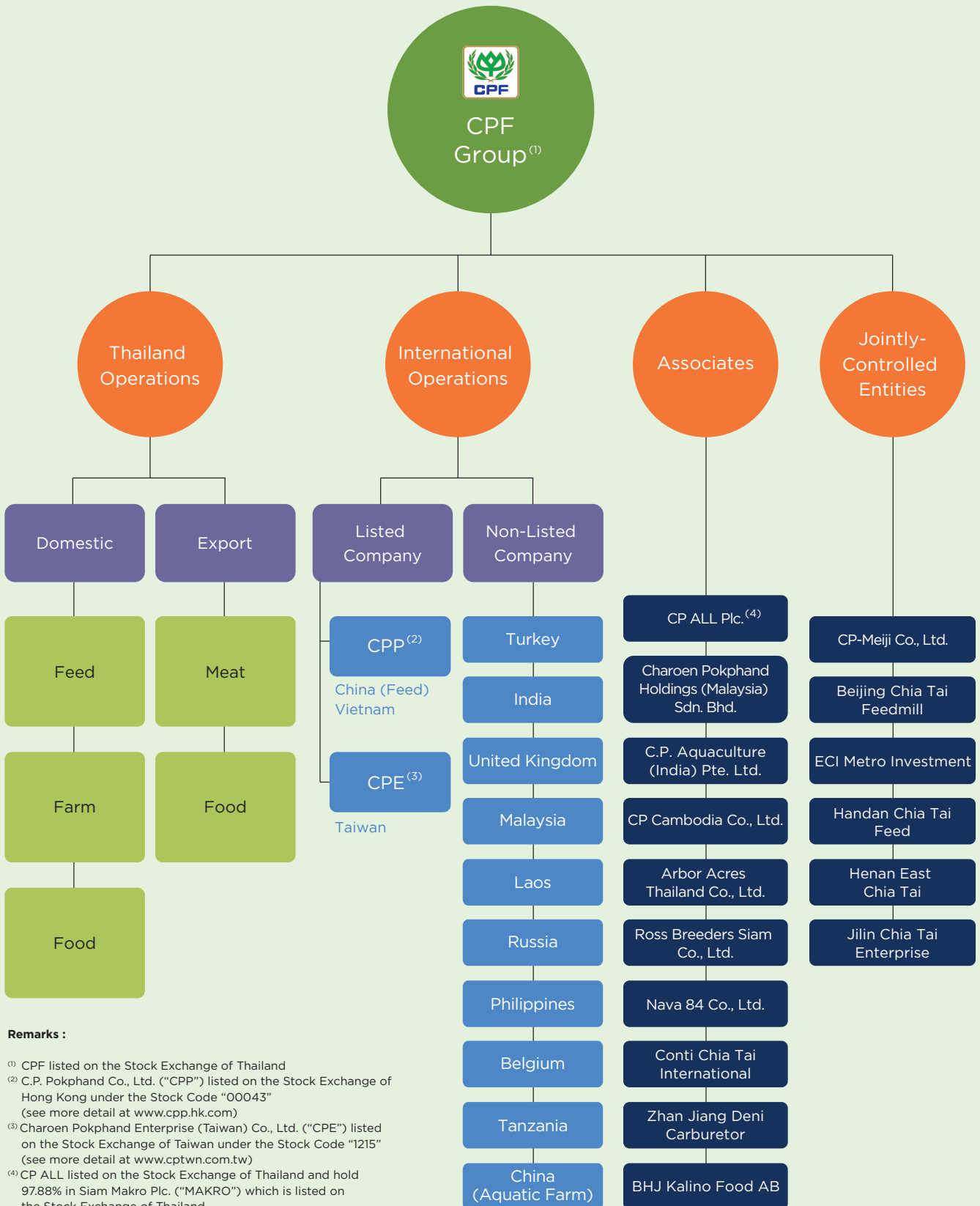
¹ Wholly-owned subsidiary of CPF

² Directly and indirectly own by CPF of 50.43% of total issued shares in CPP (or 47.83% of total issued ordinary shares in CPP)

CPF GROUP OPERATIONS



As of 31 December 2014



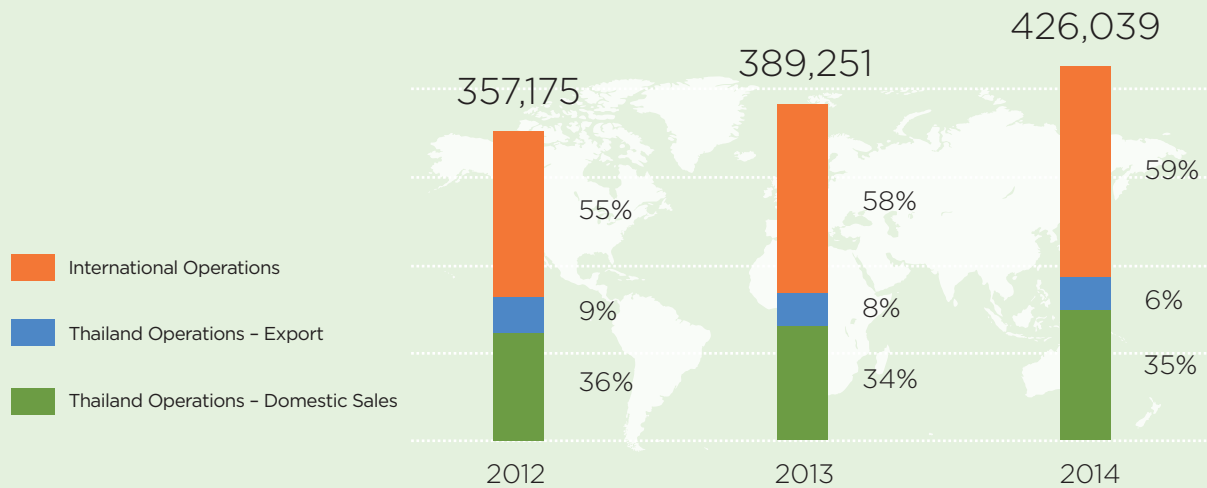
Remarks :

⁽¹⁾ CPF listed on the Stock Exchange of Thailand
⁽²⁾ C.P. Pokphand Co., Ltd. ("CPP") listed on the Stock Exchange of Hong Kong under the Stock Code "00043" (see more detail at www.cpp.hk.com)
⁽³⁾ Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ("CPE") listed on the Stock Exchange of Taiwan under the Stock Code "1215" (see more detail at www.cptwn.com.tw)
⁽⁴⁾ CP ALL listed on the Stock Exchange of Thailand and hold 97.88% in Siam Makro Plc. ("MAKRO") which is listed on the Stock Exchange of Thailand

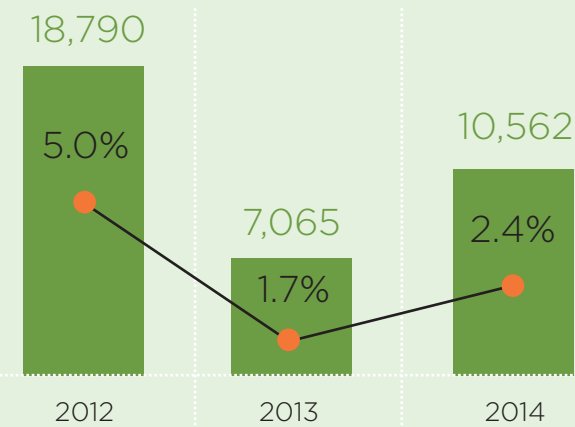
FINANCIAL HIGHLIGHTS



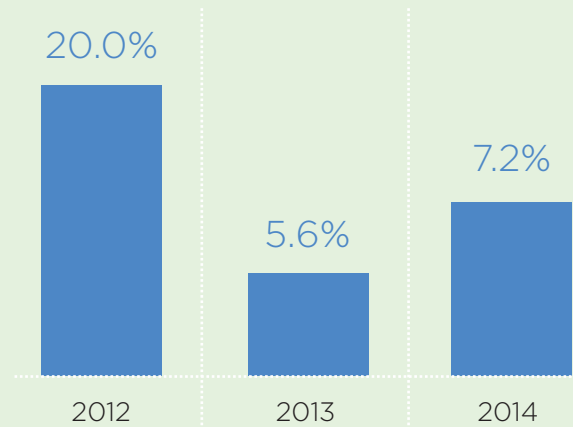
Sales Revenue by Operations (THB million)



Net Profit (THB million) and Net Profit Margin (%)



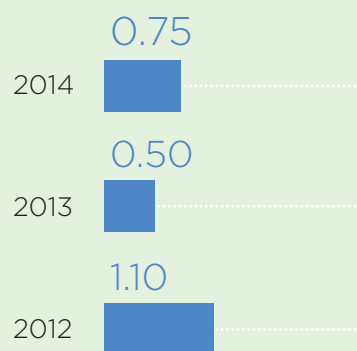
Return on Equity (%)



Earnings per Share (THB)

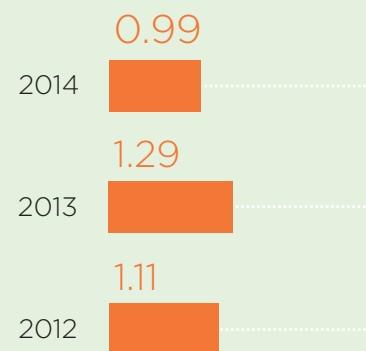


Dividend per Share (THB)



Net Debt to Equity (Times)

As of 31 December



OUR OPERATIONS



The Company is an agro-industrial and integrated food conglomerate producing both livestock and aquaculture products including swine, broiler chicken, layer chicken, duck, shrimp and fish.

The business is divided into two main operations, as follows:

- 1) Thailand Operations, which involve operations for both domestic sales and export; and
- 2) International Operations, which operate through subsidiaries in twelve countries, namely, China, Vietnam, Turkey, India, Malaysia, United Kingdom; Laos, Russia, the Philippines, Taiwan, Belgium and Tanzania.

Thailand Operations

In 2014, the revenue generated from the Thailand Operations accounted for 41% of total sales revenue. The businesses are categorized into 4 main areas as follows:

- 1) Feed business
- 2) Farm business
- 3) Food business
- 4) Retail and food outlets business

Feed Business

Products, Marketing and Customers

The Company is a pioneer and leader in the production and sale of animal feed in Thailand. The major products are swine feed, chicken feed, duck feed, shrimp feed and fish feed. The Company produces both concentrates and complete feeds in either powder or pellet form. The feed formulas are specifically developed to meet to the nutrition requirements for each type of animal at each stage of growth. The Company's livestock feed products are distributed under the brands CP, Hyprovite, Hi-Gro, Star Feed, Novo, Safe Feed, Erawan, Hogtonal, C.F, Anvipro, and Hilac, and aquaculture feed products are distributed under the brands CP, Star Feed, Novo, Erawan, Marine, Hi-Grade, Turbo, Blanca, Stargate, Safe Fo, and Safe Fish. In 2014, the revenue of Thailand operations feed business represented 12% of the Company's total sales revenue.

The Company has feed mills located throughout Thailand, and its customer base ranges from small independent farmers to large farms. The Company sells its feed products both directly and via appointed agents or distributors across Thailand. Feed prices are adjusted according to raw material

costs and pricing guidelines from the Department of Internal Trade, Ministry of Commerce.

The main marketing strategy is to provide customers with full services from offering quality feed and breeding stock, providing technical information regarding farm management and animal rearing techniques, to assisting them on marketing their products, so that the customers can grow their businesses efficiently and sustainably. Through personal consultations, seminars and information dissemination at learning centers, the Company's technical experts provide customers with information on nutrition and animal husbandry, which can be adapted to suit specific locations. The information on livestock and aquaculture farming according to international standards is available in printed materials and electronic media, including the internet.

In the past two years, shrimp farming in Thailand suffered from the outbreak of Early Mortality Syndrome (EMS), which caused shrimp products to slump while the number of swine also declined due to the outbreak of Porcine Epidemic Diarrhea virus (PED). The Company adopted a strategy in maintaining the customer base and focused on research and development to find mitigation measures and ways to solve the problems of EMS disease.

Raw Materials, Processing and Production

The Company operates a central purchasing unit based in Thailand, which is responsible for the procurement of the major ingredients used in the production of feed, and collects pricing and other important information both locally and internationally. The key raw materials for feed production are agricultural products such as

corn, soybean meal, fishmeal, and wheat flour. In 2014, the total raw material costs for animal feed production of Thailand operations constituted 17% of the total cost of goods sold. Raw material sourcing decisions are based on multiple considerations, including origin, quality, cost, and compliance with the Company's policies regarding human rights, social impacts, and the environment. It is also the Company's policy to give preference to raw materials from domestic sources, especially those from locations near its feed mills, in order to support local farmers as well as to lower costs and energy consumption associated with transportation. Only when domestic supply is insufficient, or is of inferior quality, the Company resorts to the importation of raw materials. In 2014, the Thailand operations' imported raw material costs accounted for 41% of the total raw material costs for animal feed production.

With respect to the production processes, the Company has invested heavily in the research and development of feed products as well as innovative and efficient production technologies, with the goal of achieving high-quality animal feeds that are safe and cost-competitive. Each step of the production process is subject to quality control measures and each feed mill is equipped with laboratory and testing equipment to check the quality of raw materials before they enter the production lines, where all processes are controlled with automated systems to ensure consistent quality of the final output, meeting applicable standards. As a result of the Company's efforts, its high-quality feed products possess low feed conversion ratio (FCR), helping farmers to reduce their production costs.

Farm Business

Products, Marketing and Customers

The Company is a major livestock farming operator in Thailand, with swine, broilers, layers, ducks, shrimp and fish as the main products. In 2014, the revenue of Thailand operations farming business represented 19% of consolidated sales.

The Company-owned animal farms and breeding farms are located in a number of provinces throughout Thailand. Our farm products can be categorized into two major groups:


1. Animal breeds

The Company is a leader in the research and development of natural genetic selection, with the aim of obtaining quality breeds that are healthy, sturdy and suitable for farming conditions in each country. The Company produces parent stock of the animals as well as piglets, broiler chicks, layer chicks, layers, table ducklings, egg-laying ducklings, shrimp fry and fish fry. Some of the animal breeds are imported from abroad. Then the Company breeds and raises the animals for its own use as well as for sales to independent livestock farmers and agents/distributors in Thailand. Prices of animal breeds depend on domestic supply and demand as well as quality.

The Company regards post-sales services highly, as evidenced by a high number of representative offices throughout Thailand, which serve as information centers that provide technical knowledge about animal husbandry and farm management to independent farmers.

During 2014, shrimp farmers continued to face with the outbreak of EMS. In response to this ongoing problem, the Company focused on building confidence, sales promotion, as well as providing consultation on farm management for EMS prevention and mitigation.

2. Live animals, products from live animals and basic processed meat

Products in this category consist of live swine, live chicken, live ducks, chicken eggs, duck eggs, live shrimp, live fish and basic processed meat. These products are distributed to end consumers by Company-owned food processing plants and other processing plants in Thailand, and wholesalers, retailers and agents/distributors throughout the country. Outputs from farming then undergo various basic meat-processing, such as cutting and trimming, depending on market requirements, and processed as either chilled or frozen meat, then sold domestically under  brands through traditional trade, modern trade and food service channels. Apart from the domestic market, products in this category are also sent to importers in other countries. Price is subject to supply and demand conditions in each respective market or at agreed contract price. The Company main marketing strategy is to create the consumers' awareness of the products' quality and safety, which are carefully monitored throughout the supply chain.

During the past year, independent shrimp farmers as well as the Company's own farms have been affected by the outbreak of EMS continually since 2013, resulting in shortages of shrimp and high costs of input for shrimp products. In response to this problem, the Company conducted research to develop farm management measures to prevent EMS and held training sessions for shrimp farmers on disease prevention and mitigation. On the livestock front, the PED virus led to a drop in swine production and resulting

in the highest price of pork in history. However, this crisis also raised the Company's gross profit compared to 2013.

Raw Materials, Processing and Production

The primary raw materials used in the Company's farming operations are animal feeds and breeding stock. The table below list major inputs to the production processes as well as their sources.

Key Inputs	Sources
- Grandparent stock for broiler chicken	Imported from North America, Europe, and Australia
- Grandparent stock for layer chicken	Imported from Europe
- Parent stock for broiler chicken	Company's own farms and affiliates in Thailand
- Parent stock for layer chicken	Imported from Europe
- Pure-breed swine	Imported from North America and Europe
- Veterinary products	Purchased from local suppliers
- Animal feeds	Company's own feed mills

The Company places great emphasis on research and development of natural genetic selection techniques and the implementation of farm management technology in order to increase efficiency and obtain quality breeds that are suitable for farming conditions in each region as well as market preference. It has developed operating procedures that meet international standards, and adopted information technologies to assist the quality management, enabling full-traceability along all steps of the supply chain. The Company has applied best practices on biosecurity to minimize the risk of diseases. In livestock farms, evaporative cooling systems are used to provide the fully enclosed animal houses with suitable living conditions. Feed, water, and lighting are provided to the animals at accurate amount and timing via a computer-controlled system. Closed-system farming helps minimize the spread of diseases and increase production efficiency.

Several sets of standards, such as the Ministry of Agriculture and Cooperatives' guidelines on Good Manufacturing Practices (GMP), and international standards, such as quality, environmental, and animal welfare standards, have been adopted by the Company in its modern

farming operations. On animal welfare, the Company implemented such measures as keeping animal density at appropriate level, prevention of injuries and illnesses, provision of treatment by trained veterinarians on site, health examination during animal rearing and prior to transportation. When transporting animals, great care is taken to minimize any stress they may experience. The Company strictly adheres to the 5-freedom principle, which includes freedom from thirst and hunger, freedom from discomfort, freedom from injuries and diseases, freedom to exhibit natural behaviors, and freedom from fear and stress. The Company is the first poultry producer outside of the European Union to receive the United Kingdom's Red Tractor Assurance (RTA) certification, for its management of animal welfare, covering its poultry farming operations for processed food manufacturing. This RTA certification is among the strictest standards on animal welfare for the poultry industry. In addition, the Company fully complies with all laws on agricultural products as well as rules and regulations issued by the Food and Drug Administration (Thai FDA), especially those on the prohibition of hormones and anti-biotic usage.

In the Company's aquaculture operations, pro-biotic farming techniques are emphasized to minimize the use of medicines and chemicals. It has adopted a closed-system shrimp farming practice, by which water is recycled within the system to lower water consumption, reduce environmental impacts, as well as to prevent the spread of diseases. The principle of Best Aquaculture Practices (BAP) is applied to all stages of operations, starting from the hatcheries, to shrimp farms, to food processing facilities, along with the Company's overarching policy of operating with social and environmental responsibility, as well as paying close attention to food safety and traceability.

In addition to its own farms, the Company also promotes broiler and swine farming by providing animal breeds, feed, veterinary supplies, and technical knowledge to independent farmers who have passed the selection processes.

Food Business

Products, Marketing and Customers

The Company adds value to its basic processed meat with additional processing to produce cooked, partially-cooked and ready-to-eat food products. The products are then packed, chilled or frozen, and distributed either under the Company-owned brand, CP brand and private brands via traditional trade, modern trade (e.g. convenience stores, supermarkets and supercenters), food service (e.g. fast food restaurants), the Company owned retail and food outlets, retailers and wholesalers. Product offerings are based on the evolving trends of consumer behaviors, such as more emphasis on health and convenience, responding to the needs of all segments and age groups. The Company also has representative offices in 18 countries, and its products are exported through importers in their respective countries. Currently, the Company exports to approximately 40 countries in five continents, with the European Union, the United Kingdom, Japan, the United States, and other Asian countries as major export markets. The revenue of the Company's Thailand operations food business in 2014 represented 10% of consolidated sales.

The Company has a specialized research and development team who concentrates on food innovations that meet consumer demand and changing lifestyles. The Company

gives top priorities to product quality in terms of nutrition, taste, and most importantly, safety for the consumer. Some of the cooked products that are available domestically and internationally include sausage, kurobuta pork steak, shrimp wonton, cooked shrimp, karaage chicken, seaweed roll chicken, grilled teriyaki chicken, green curry chicken with rice, savoury soya duck with egg noodles, roast duck, meatballs, and spaghetti with carbonara sauce. The products are sold under CP brand, Kitchen Joy, Five Star, BK, and BKP, as well as private labels. In 2014, the Company launched a number of innovative products in response to fast-changing consumer preferences, including onsen poached egg, steamed egg, omega egg tofu with veggie, chicken finger, and health-oriented ready-to-eat meals such as "Hot and Sour Soup with Pangasius Hypophthalmus with Brown Rice", "Savoury Stir Fried Pangasius Hypophthalmus Fish and Thai Spicy Herbal Sauce with Brown Rice", "Spicy Whole Wheat Spaghetti" and "Savoury Boiled Brown Rice".

The Company implements marketing strategies that build customer awareness of the CP brand and the Company's products that are of high quality, nutritious, tasty, safe and traceable throughout the whole supply chain. The Company continuously develops products that meet the customer requirements and lifestyles that value convenience, and giving multiple channels to access its products via management of distribution network. For aquaculture products, especially processed shrimp, have continued to face shortages of the major raw material, white vannamei shrimp. The resulting higher costs of production have affected the Company's export business, and drove the Company to concentrate more on efficiency improvement in order to keep costs at a competitive level within the industry.

Raw Materials, Processing and Production

The Company's key raw materials for the food business are sourced internally from the Company's farms' outputs. Then, the Company adds value to its basic processed meat with additional processing to produce cooked, partially-cooked and ready-to-eat food products based on customer requirements. The Company's processing plants in Thailand are located in number of provinces such as Bangkok, Samut Sakhon, Saraburi, Nakhon Nayok, Nakhon Ratchasima, Chachoengsao, Rayong, and Songkhla.

Food safety and quality is the Company's first priority, and it has continuously developed its production processes in line with international standards. Management systems widely used on the international level that have been adopted by the Company include quality management system (ISO 9001), Good Manufacturing Practices (GMP), (Hazard Analysis and Critical Control Point - HACCP), among many others. In addition, the Company has implemented specific standards to meet requirements from customers around the world, such as Global G.A.P., Global Standard for Food Safety: BRC, International Featured Standards: IFS Food, and Best Aquaculture Practices Standards: BAP.

Regarding working conditions, the Company applies international practice of putting in place an Occupational Safety & Health Administration Management System (OSHAS), and has developed its own CPF Safety Health and Environment Management System: CPF SHE MS, in all areas of its operations to ensure that its workforce are safe and healthy. Environmental Management System (ISO 14001) is also applied to ensure compliance with all relevant environmental regulations.

CPF Product Sustainability

The Company has undertaken the "CPF Product Sustainability Project" in order to put in place sustainable production and product development practices that consider the entire life cycle of each product, as well as to bring its supply chain to an internationally-recognized standard of sustainability performance. This project is one of the many initiatives that the Company has implemented to fulfill its missions to deliver products and services that are of high quality, safe, traceable, and socially- and environmentally-responsible.

Green Value Chain

Recognizing the challenges on the social, economic, and environmental fronts, as well as the Company's objective of becoming a world-class food producer, the Company has continually improved its production processes to be more efficient, with lower consumption of resources and smaller environmental impacts.

Under the "CPF Product Sustainability Project", a 3-year plan covering 2011-2014, the Company is concentrating in 3 areas: Green Products, Green Logistics, and Green Value Chain, incorporating the entire supply chain from feed production,

farming, meat processing, further production, up to delivery to consumers. Through this project, the Company's chicken operations received third-party certification according to the "ProSustain" standard, by DNV-GL, an internationally-recognized certification body, in 2013. The certification covers fresh chicken for Thai market and cooked chicken meat for the European market. As a result, the Company became the first chicken producer in the world, as well as the first food producer in Asia-Pacific, to receive this certification, reflecting its capability to design, develop, and manufacture products that incorporate sustainability principles into every step along the supply chain. Following international standards ISO14040 and ISO14044, the Company adopted the Product Life Cycle Assessment Approach to analyze the following 4 dimensions: product quality and food safety, economic impacts, environmental impacts, and social impacts associated with the products, with the goal of becoming the leader in the sustainable food production industry, contributing to the development of green economy.

Over the past 3 years, eco-efficiency analyses of the Company's performance have shown significant improvement in environment and social impacts associated with the productions of the relevant products, averaging at 7% reduction in adverse impacts. On the environmental front, improvements were made in reduction of energy consumption, reduction of natural resource consumption, land use efficiency, and reduction of emissions, while on the social front, significant improvement were observed for toxic release potential, accidents and work-related illnesses.

Greenhouse Gas Management

Climate change is a complex problem with diverse and far-reaching impacts, ranging from adverse effects on the natural systems to social crises such as poverty, economic development, and population growth.

Starting in 2008, the Company has been developing carbon footprints for its products. In addition, the Company has initiated its Carbon Footprint for Organization Project in 2013, as part of its effort to manage greenhouse gas emissions and reduce its environmental impacts, which would help it to adapt to climate-related factors. As a result, the Company earned wide recognition as a food producer that is leading the way in climate change mitigation.

Examples of such international recognitions in 2014 include:

- “Best Year on Year Score Change for Hong Kong and South East Asia” from the Carbon Disclosure Project (CDP), a regional award reflecting the Company’s outstanding improvement in its effort to manage greenhouse gas emissions.
- Carbon footprint of 145 products have been registered with the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)
- Becoming the first Thai company to receive a product carbon footprint from the Republic of Korea, under the collaborative program between Korea Environment Industry and Technology Institute (KEITI) and Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) - a project aimed at developing capacity and acceptance of green products in both countries.
- The Carbon Neutral Man Project, a voluntary individual level carbon footprint and offset program. Since its inception in 2013, a pilot group of executives and employees have joined the program and offset a total 293 tons CO₂-equivalent of emissions generate in their daily lives. These employees set a good example, promoting the development of a low-carbon society.
- The Company is planning to continue expanding its product carbon footprint to cover more products, as well as complete its 3-year greenhouse gas inventory (2014-2016).


Water Footprint Project

As a leader in the food and agriculture industry, the Company is acutely aware of the impact of climate change on the water cycle, with severe droughts occurring in many parts of the world, leading to water shortages and water scarcity in the near future.

The Company aims to enhance water efficiency in all of its operations to promote sustainable business development. In 2013, the Company has participated in the pilot project “Water Footprint for Agricultural and Food Products” with the support from the National Bureau of Agricultural Commodity and Food Standards (ACFS), to develop best practices for efficient utilization of water resources and alleviate future water crises. The Company submitted 3

products into the project, including roasted chicken strip, CP-brand shrimp wonton, and CP-brand fresh eggs. In 2014, it added more shrimp products from Ranot Seafood Processing Plant.

Retail and Food Outlet Business

The Company has invested to expand its own distribution channels to provide consumers with more convenient choices of access to its products. The main type of products sold through this group of channels includes ready-to-serve meals, ready-to-eat chilled and frozen products under  brand, and chilled and frozen cutlets or basic-processed meat. These sales channels can be categorized into 6 following types:

1. **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. As of 31 December 2014, there were 5,220 Five Star kiosks across Thailand, 569 kiosks in Vietnam, 213 kiosks in India and 24 kiosks in Laos.
2. **Chester’s** is a fast-food restaurant business. As of 31 December 2014, Chester’s had 201 restaurants, 80 of which were Company-operated, while 121 were franchisee-operated.
3. **CP Kitchen** is a fast-serve restaurant business that operates according to the Company’s “Fresh, Full, and Fair Price” concept. As of 31 December 2014, there were 9 branches of CP Kitchen.
4. **CP Fresh Mart** engages in the retail business, selling fresh food, cooked food and ready-to-eat products under the CP and CP Fresh Mart brands. Each CP Fresh Mart is a center of fresh, clean, safe and high-quality foods, operating under 2 models: as a retail store, and as community refrigerator. As of 31 December 2014, CP Fresh Mart operated 610 retail stores in Thailand: 244 in Bangkok and its vicinity, and 366 in provincial areas, as well as 9,000 community refrigerators in Thailand. In late 2014, the Company launched 2 CP Fresh Mart stores under the new “Modern Home Meal Solution” concept, providing new generation of consumers with a wide array of ingredients, fruits and vegetable, ready-to-cook and ready-to-eat products.

5. **CP Fresh Mart Plus** is a “super-convenient store” concept that offers food products and other consumer goods from both the Company’s product portfolio and those of its trading partners. This type of store also has food retail area with dining space. As of 31 December 2014, there were 2 branches of CP Fresh Mart Plus.
 6. **CP Food World** is a food court business offering consumers with diverse food choices, supplied by the Company’s own units or related units, as well as external vendors. The Company plans to expand this business format to commercial districts, office buildings, hospitals, and education institutes. As of 31 December 2014, there were 4 branches of CP Food World.
- 2.2 An Aquatic business is undertaken by 1) C.P. Pokphand Co., Ltd. and 2) C.P. Aquaculture (Beihai) Co., Ltd., engaging in the manufacturing and distribution of aquatic feed, with shrimp and fish feed as their major products; 3) C.P. Aquaculture (Hainan) Co., Ltd. operates an aquatic farming business for domestic distribution with shrimp and fish as the main products.; and 4) C.P. Aquaculture (Dongfang) Co., Ltd. operates a shrimp hatcheries business.

3. Vietnam - Fully-integrated livestock and aquatic business operated by C.P. Vietnam Corporation (CPV) in the following businesses:

- 3.1 A fully-integrated livestock business, which comprises 1) feed business engaged in the manufacturing and distribution of livestock feed with swine and chicken feed as the major products; 2) farm business engages in swine, broilers and layer chickens farming business as well as basic meat processing business; 3) food business engages in the manufacturing and distribution of food products domestically; and 4) restaurant business - Five Star franchising business.
- 3.2 A fully-integrated aquatic business, which comprises 1) feed business engages in the manufacturing and distribution of aquatic feed with shrimp and fish feed as its major products; 2) farm business engages in shrimp and fish farming business as well as basic meat processing business; and 3) food business engages in the manufacturing and distribution of food products in domestic and export to Europe and Asia.

International Operations

As of 31 December 2014, CPF has operated its various business operations through subsidiaries abroad, as follows:

1. Taiwan - A fully-integrated livestock business is operated by Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (CPE), a company listed on the Stock Exchange of Taiwan under the Stock Code “1215” (see more details at www.cptwn.com.tw). CPE’s business involves in the manufacturing and distribution of livestock feed, with swine and chicken feed as the major products. CPE also operates in the animal farming business, including basic meet processing and the food business for domestic distribution, with broilers and swine as the main animals.

2. China - Livestock and aquatic business

2.1 A livestock business is operated by C.P. Pokphand Co., Ltd. (CPP), a company listed on the Stock Exchange of Hong Kong under the Stock Code “00043” (see more details at www.cpp.hk). CPP’s business involves in the manufacturing and distribution of animal feed, with swine and chicken feed as the major products. CPP also operates in the manufacturing and distribution of processed food, processed meat and ready meal for domestic distribution.

4. Turkey - Agro-industrial and integrated food business is operated by C.P. Standart Gıda Sanayi ve Ticaret A.Ş. (CPS). CPS’s business involves in 1) feed business engages in the manufacturing and distribution of livestock feed with cow and chicken feed as the major products; 2) farm business engages in broilers and layer chicken farming business as well as basic meet processing business; 3) food business engages in the manufacturing and distribution of food products domestically and export to Middle East countries; and 4) retail business - CP Shop operates retail business selling CP and consumer products.

5. The Philippines - Livestock and Aquatic Business is operated by Charoen Pokphand Foods Philippines Corporation, which operates the following businesses:

5.1 A livestock business, which comprises 1) feed business engages in the manufacturing and distribution of livestock feed with chicken and swine feed as its two major products; and 2) farm business engages in swine and broilers farming business.

5.2 An aquatic business comprises 1) feed business engages in the manufacturing and distribution of aquatic feed with shrimp and fish feed as its main products; and 2) farm business engages in shrimp and fish farming business.

6. Malaysia - Livestock and aquatic business

6.1 A livestock business is operated by 1) Chau Yang Farming Sdn. Bhd., which operates a swine farming operation; 2) Tip Top Meat Sdn. Bhd. operates a swine abattoir; and 3) AA Meat Shop Sdn. Bhd. operates a retail business selling processed meat.

6.2 An aquatic business is operated by 1) Star Feedmills (M) Sdn. Bhd. which engages in manufacturing and distribution of aquatic feed with shrimp and fish feed as its major products; and 2) Asia Aquaculture (M) Sdn. Bhd. which engages in shrimp farming and shrimp processing businesses for domestic distribution and export.

7. Russia - A livestock business is operated by 1) Charoen Pokphand Foods (Overseas), LLC., which operates in the manufacturing and distribution of animal feed, with swine and cow feed as its major products. It also engages in swine farming business; 2) CPF AGRO LLC. operates a swine farming business; and 3) Russia Baltic Pork Invest ASA (RBPI) operates a swine farming business through its subsidiaries.

8. Laos - A fully- integrated livestock business is operated by C.P. Laos Co., Ltd. (CPL). CPL's business involves in 1) feed business engages in manufacturing and distribution of livestock feed with chicken and swine feed as the major products; 2) farm business engages in swine, broilers

and layer chicken farming business as well as basic meat processing; 3) food business engages in the manufacturing and distribution of food products domestically; and 4) restaurant business - Five Star business which is operated under a franchise system.

9. India - Livestock and aquatic business is operated by CPF (INDIA) Private Limited (CPF India), which operates the following businesses:

9.1 A livestock business which comprises businesses in 1) feed business engages in manufacturing and distribution of livestock feed with chicken feed as the major product; 2) farming business engages in chicken farming business; 3) food business engages in the manufacturing and distribution of food products domestically; and 4) restaurant business - Five Star business which is operated under a franchise system.

9.2 An aquatic business engages in the manufacturing and distribution of animal feed, with shrimp feed as its major product.

10. United Kingdom - A trading business and a chilled food manufacturing business operated by CP Foods (UK) Limited (CPF UK). CPF UK's business mainly involves the importation of ready to eat and frozen food products as well as further processing those products to chilled products which are to be distributed throughout the European Union under "CP", "Authentic Asia" and "Taste Inc." brand.

11. Belgium - Ready to eat foods business operated by Tops Foods NV (Tops Foods). Tops Foods engages in production and distribution of chilled and ambient ready-to-eat foods using microwave system production technology for distribution in European Union.

12. Tanzania - A livestock business is operated by CPF Tanzania Limited (CPF Tanzania). CPF Tanzania engages in the manufacturing and distribution of livestock feed with chicken feed as its main product. It also operates breeder farming emphasizing raising broiler chicks and layer chicks.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Highlights of the Consolidated Financial Statements and Key Financial Ratios

(1) Consolidated Statements of financial position of CPF and its subsidiaries as of 31 December 2012, 2013 and 2014

	As of 31 December					
	2012		2013		2014	
	THB mn.	%	THB mn.	%	THB mn.	%
Cash and cash equivalent	12,258	4	19,457	5	33,552	8
Current investments	-	-	3,143	1	5,769	1
Accounts receivable - trade and others	23,279	7	24,241	7	24,953	6
Inventories	48,334	16	48,469	13	49,036	12
Current biological assets	19,300	6	22,425	6	24,378	6
Other current assets	6,030	2	6,509	2	8,566	2
Total current assets	109,201	35	124,244	34	146,254	35
Long-term investments	38,031	12	49,598	14	62,012	15
Investment properties	1,484	-	1,930	1	1,169	-
Property, plant and equipment	90,812	29	110,931	30	124,461	30
Non-current biological assets	5,200	2	5,180	1	5,595	1
Goodwill	54,792	18	59,293	16	60,699	15
Other non-current assets	11,024	4	13,827	4	16,575	4
Total non-current assets	201,343	65	240,759	66	270,510	65
Total assets	310,544	100	365,003	100	416,764	100
Overdrafts and short-term borrowings from financial institutions	47,660	15	61,861	17	63,686	15
Bills of exchange	4,951	2	3,478	1	1,989	1
Accounts payable - trade and others	20,620	7	21,888	6	25,632	6
Current portion of long-term debts	9,306	3	11,517	3	13,433	3
Other current liabilities	12,681	4	16,257	5	18,545	5
Total current liabilities	95,218	31	115,001	32	123,285	30
Long-term debts	84,066	27	109,176	30	116,425	28
Other non-current liabilities	10,479	3	11,253	3	13,088	3
Total non-current liabilities	94,545	30	120,429	33	129,513	31
Total liabilities	189,763	61	235,430	65	252,798	61
Total equity	120,781	39	129,573	35	163,966	39

(2) Consolidated statements of income of CPF and its subsidiaries for the years ended 31 December 2012, 2013 and 2014

	2012		2013		2014	
	THB mn.	%	THB mn.	%	THB mn.	%
Revenue from sale of goods	357,175	95	389,251	97	426,039	98
Gains on changes in fair value of investment in associates	8,673	2	-	-	-	-
Gains on sale of investments	6,009	2	8,219	2	4,662	1
Others	2,996	1	2,107	1	2,801	1
Total income	374,853	100	399,577	100	433,502	100
Cost of sale of goods	315,838	84	350,394	88	368,760	85
Gains on changes in fair value of biological assets	(229)	-	(524)	-	(338)	-
Selling and administrative expenses	33,260	9	36,963	9	42,837	10
Finance costs	6,377	2	7,937	2	8,880	2
Others	52	-	219	-	353	-
Total expenses	355,298	95	394,989	99	420,492	97
Share of profits of associates and jointly-controlled entities	4,139	1	4,947	1	4,869	1
Profit before income tax	23,694	6	9,535	2	17,879	4
Income tax expense	2,675	1	133	-	3,650	1
Profit for the year	21,019	5	9,402	2	14,229	3
Non-controlling interests	(2,229)	-	(2,337)	-	(3,667)	(1)
Profit for the year attributable to equity holders of the Company	18,790	5	7,065	2	10,562	2

(3) Consolidated Statements of comprehensive income for the years ended 31 December 2012, 2013 and 2014

(Unit : THB mn.)	2012	2013	2014
Profit for the year	21,019	9,402	14,229
Other comprehensive income (loss) for the year, net of income tax income	5,339	5,293	(1,258)
Total comprehensive income for the year	26,358	14,695	12,971
Non-controlling interests	(2,439)	(3,596)	(4,102)
Total comprehensive income for the year attributable to equity holders of the Company	23,919	11,099	8,869

(4) Consolidated statements of cash flows for the years ended 31 December 2012, 2013 and 2014

(Unit : THB mn.)	2012	2013	2014
Net cash provided by operating activities	529	9,452	23,185
Net cash used in investing activities	(59,494)	(24,222)	(33,163)
Net cash provided by financing activities	46,449	17,792	23,533
Net increase (decrease) in cash and cash equivalent	(12,516)	3,022	13,555
Cash and cash equivalents at the beginning of the year	23,993	12,250	17,180
Effect of exchange rate changes on the balances held in foreign currencies	773	1,908	1,189
Cash and cash equivalents at end of year	12,250	17,180	31,924

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

	2012	2013	2014
Liquidity ratios			
Current ratio ¹ (times)	1.15	1.08	1.19
Quick ratio ² (times)	0.37	0.41	0.52
Cash flow liquidity ratio ³ (times)	0.01	0.09	0.19
Accounts receivable turnover ⁴ (times)	17.93	16.00	16.92
Collection period ⁵ (days)	20	23	21
Inventory turnover ratio ⁶ (times)	33.14	28.86	27.55
Inventory turnover ⁷ (days)	11	12	13
Accounts payable turnover ⁸ (times)	19.52	16.49	15.52
Payable period ⁹ (days)	18	22	23
Cash Cycle ¹⁰ (days)	13	13	11
Profitability ratios			
Gross profit margin ¹¹ (%)	11.57	9.98	13.44
Operating profit margin ¹² (%)	8.42	4.49	6.28
Net profit margin ¹³ (%)	4.96	1.74	2.41
Return on Equity ¹⁴ (%)	20.00	5.64	7.20
Operating Efficiency ratios			
Return on fixed assets ¹⁵ (%)	35.43	14.53	16.59
Asset turnover ¹⁶ (times)	1.61	1.20	1.12

	2012	2013	2014
Leverage ratios			
Debt to equity ¹⁷ (times)	1.57	1.82	1.54
Interest coverage ¹⁸ (times)	0.08	1.25	2.89
Debt service coverage ¹⁹ (times)	0.01	0.14	0.32
Dividend payout ²⁰ (%)	105.79	56.32	64.99

¹ *Current ratio = Total current assets / Total current liabilities*

² *Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities*

³ *Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities*

⁴ *Accounts receivable turnover = Net sales / Average accounts receivable - trade and others*

⁵ *Collection period = Average accounts receivable / Total revenues*360*

⁶ *Inventory turnover ratio = Cost of sale of goods / Average finished goods*

⁷ *Inventory turnover = 360 / Inventory turnover ratio*

⁸ *Accounts payable turnover = Cost of sale of goods / Average accounts payable*

⁹ *Payable period = 360 / Accounts payable turnover*

¹⁰ *Cash Cycle = Average collection period + Inventory turnover - Payable period*

¹¹ *Gross profit margin = Gross profit / Net sales*

¹² *Operating profit margin = Profit before finance costs and income tax expense / Net sales*

¹³ *Net profit margin = Net profit / Total revenues*

¹⁴ *Return on Equity = Net profit / Average shareholders' equity*

¹⁵ *Return on fixed assets = (Net profit + Depreciation) / Average fixed assets*

¹⁶ *Asset turnover = Total revenues / Average total assets*

¹⁷ *Debt to equity = Total liabilities / Total shareholders' equity*

¹⁸ *Interest coverage = Net cash provided by operating activities / Interest expenses*

¹⁹ *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*

Management's Discussion and Analysis

The following financial analysis is based on the Company's consolidated financial statements ending 31 December 2014 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.

In 2014, the significant events impacted the preparation and presentation of the Company's consolidated financial statements for the period ending 31 December 2014 including:

Business combination by acquisition of shares

During 2014, CPF acquired shares of 3 companies - 1) Tops Foods NV (Tops Foods); 2) Hefei Chia Tai Co., Ltd. (HCT); and 3) Kaifeng Chia Tai Co., Ltd. (Kaifeng) obtaining control of 80.02%, 74.62% and 74.18%, respectively on the acquisition date. The Company's financial statements as of 31 December 2014 already included the performance of these 3 new subsidiaries. The Company has applied Thai Financial Reporting Standards (TFRS) No. 3 (revised 2012) Business Combinations to recognise the business combination transaction which is disclosed in No. 5 of the notes to the financial statements - Business combination by acquisition of shares and partial disposal of interest in subsidiary.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date of the 3 companies:

(1) Share acquisition of Tops Foods NV

	(Unit: THB million)
Cash and cash equivalents	8
Accounts receivable - trade and others	58
Inventories	57
Other current assets	8
Property, plant and equipment	618
Intangible assets	17
Borrowings	(233)
Accounts payable - trade and others	(53)
Other current liabilities	(20)
Deferred tax liabilities	(121)

	(Unit: THB million)
Net assets	339
Non-controlling interests of the acquire	(68)
Group's ownership interest	271
Goodwill	145
Consideration transferred	416

The benefit of acquiring shares in Tops Foods is the modern food production technology and high production standards which will enhance CPF Group's business capability as well as expand the Group's ready-to-eat food production base into Europe.

(2) Share acquisition of Hefei Chia Tai Co., Ltd. (HCT) and Kaifeng Chia Tai Co., Ltd. (Kaifeng)

	(Unit: THB million)	
	HCT	Kaifeng
Cash and cash equivalents	12	55
Accounts receivable - trade and others	21	107
Inventories	142	251
Other current assets	106	81
Plant and equipment	156	185
Other intangible assets	658	656
Other current liabilities	89	218
Borrowings	-	(260)
Accounts payable - trade and others	(79)	(58)
Other current liabilities	(234)	(196)
Deferred tax liabilities	(197)	(205)
Net assets	674	834
Goodwill	499	781
Consideration transferred	1,173	1,615

Acquisition of shares in the 2 companies in China will strengthen the Company's animal feed business in China.

Partial disposal of the investment in C.P. Pokphand Co., Ltd. (CPP) without a change in control

During the third quarter of 2014, the Company sold a total of 6,017,959,308 ordinary shares or 25% of CPP's total issued and paid-up ordinary shares (or 23.76% of total issued and paid-up shares of CPP) to ITOCHU Corporation, a listed company on the Tokyo Stock Exchange at the selling price of HKD 1.10 per share for a total consideration of HKD 6,620 million or approximately THB 27,258 million. After the completion of the transaction, the Company's shareholding in CPP was 50.43% of CPP's total issued and paid-up shares (equivalent to 47.83% of CPP's total issued and paid-up ordinary shares). The Company recognised a decrease in the Company's ownership interest in CPP of THB 24,309 million, an increase in non-controlling interests of the same amount and recorded a gain of THB 4,130 million in "Surplus from change in equity in subsidiaries" in the consolidated statement of financial position as at 31 December 2014.

Details of the transactions have been disclosed in No. 5 of the Company's notes to financial statements for the

year ended 31 December 2014- Business combination by acquisition of shares and partial disposal of interest in subsidiary

1. Operating Results

(1) Overview of Operating Results

In 2014, the Company's total sales revenue was THB 426,039 million (2013 : THB 389,251 million), an increase of 9% over the previous year resulting from growth in sales of Thailand operations and international operations by 7% and 11%, respectively. A large part of the increase in sales comes from the increase in sales of farm products both Thailand and International operations.

The Company's net profit for 2014 totaled THB 10,562 million or a per share earnings of THB 1.43 as compared to a net profit of THB 7,056 million in the previous year, a 49% jump. This level of performance reflects the enhanced efficiency in animal farming and higher average meat price resulting in a 13.4% gross profit margin which is higher than the 10.0% level earned in 2013.

(2) Operating Performance of Each Business Line

	2012		2013		2014	
	THB mn.	%	THB mn.	%	THB mn.	%
1. Thailand Operations						
Feed	56,815	16	51,243	13	51,850	12
Farm	61,600	17	69,922	18	79,212	19
Food	41,009	12	43,177	11	44,212	10
Total Sales - Thailand Operations	159,424	45	164,342	42	175,274	41
2. International Operations						
Feed	148,321	41	164,348	42	173,448	41
Farm	45,679	13	55,583	15	70,036	16
Food	3,751	1	4,978	1	7,281	2
Total Sales - International Operations	197,751	55	224,909	58	250,765	59
Total Sales Revenue	357,175	100	389,251	100	426,039	100

Operating Results by Business Operations and Business Line

Thailand Operations

Total sales revenue generated from Thailand operations for 2014 totaled THB 175,274 million (2013 : THB 164,342 million), a 7% increase over the previous year. Details are as follows:

(1) Domestic Sales

Domestic sales for 2014 totaled THB 148,288 million (2013 : THB 134,362 million), a 10% increase over the previous year was mostly from the higher sale of farm products as a result of high average meat price.

(2) Exports

Revenue from exports for 2014 totaled THB 26,986 million (2013 : THB 29,980 million), a 10% decrease from the previous year, mostly from a drop in sales of aquatic business.

International Operations

Sales revenue from international operations for 2014 totaled THB 250,765 million (2013 : THB 224,909 million), a year-on-year increase of 11%. Mostly as a result of sales increase of in Vietnam, China and India.

Operating profit generated in 2014 totaled THB 20,561 million (2013 : THB 7,464 million), a 175% increase over the previous year. The improvement largely reflects the enhanced efficiency in animal farming while the average meat price was higher than that of the previous year benefitting the Company in terms of improved gross profit margin of livestock business.

2. Changes in Other Comprehensive Income

In 2014, changes in other components of shareholders' equity after tax presented in the Company's comprehensive income decreased THB 1,258 million. This was mainly due to the loss arising from the currency translation of international subsidiaries.

3. Financial Status

(1) Assets

As of 31 December 2014, the Company's total assets were THB 416,764 million consisting of current assets of THB 146,253 million, land, buildings and equipment of THB 124,461 million, along with long-term investments and other assets of THB 146,050 million.

Total assets as of year-end 2014 increased by 14% mostly from the increase in cash and cash equivalents, along with land, buildings and equipment, and investments in related companies.

(2) Liquidity

Net cash flow from operating activities for 2014 totaled THB 23,185 million while net cash used in investments activities was THB 33,164 million. Net cash provided by financing activities was THB 23,533 million derived from net borrowing totaling THB 11,064 million, sale of interest in subsidiaries totaling THB 27,258 million, an outflow in payment of interest, dividend and others totaling THB 14,789 million. Cash and cash equivalents items net of any overdraft as at 31 December 2014 totaled THB 31,924 million.

The Company's liquidity ratio as at 31 December 2014 was 1.19 times, an increase from 1.08 times from the previous year while the cash cycle for the same period was 11 days, decreasing from 2013's 13 days as collection period decreased from 23 days in 2013 to 21 days in 2014.

The Company's current portion of long-term borrowings due for payment in 2015 totals THB 13,427 million; 2016 - THB 10,441 million; 2017 - THB 23,997 million and 2018 - 2041 a total of THB 81,981 million.

Details of CPF's THB 63,060 million outstanding debentures as of 31 December 2014 are as follows:

	Amount (THB mn.)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum (%)
1. CPF Debenture #1/2009 Series 3	3,000	25 Nov 2009	25 Nov 2015	6	4.80
2. CPF Debenture #2/2009	1,000	22 Dec 2009	30 May 2015	5 years 5 months 8 days	4.40
3. CPF Debenture #1/2010	1,000	11 Feb 2010	30 May 2015	5 years 3 months 19 days	4.20
4. CPF Debenture #2/2010 Series 2	5,000	3 Nov 2010	3 Nov 2017	7	Year 1-3 = 3.00% Year 4-5 = 4.00% Year 6-7 = 5.00%
5. CPF Debenture #1/2011 Series 1	3,000	19 Aug 2011	19 Aug 2018	7	4.65
6. CPF Debenture #1/2011 Series 2	3,000	19 Aug 2011	19 Aug 2011	10	4.87
7. CPF Debenture #1/2011 Series 3*	4,000	19 Aug 2011	19 Aug 2041	30	5.42
8. CPF Debenture #2/2011*	6,000	21 Dec 2011	21 Dec 2041	30	5.42
9. CPF Debenture #1/2012	6,060	15 Mar 2012	15 Mar 2016	4	4.17
10. CPF Debenture #2/2012 Series 1	6,000	3 Aug 2012	3 Aug 2019	7	Year 1-4 = 4.35% Year 5-7 = 5.00%
11. CPF Debenture #2/2012 Series 2	4,000	3 Aug 2012	3 Aug 2022	10	Year 1-4 = 4.40% Year 5-9 = 5.00% Year 10 = 6.00%
12. CPF Debenture #2/2012 Series 3	5,000	3 Aug 2012	3 Aug 2032	20	5.30
13. CPF Debenture #1/2013	6,000	9 May 2013	9 May 2018	5	3.93
14. CPF Debenture #2/2013 Series 1	2,000	2 Aug 2013	2 Aug 2017	4	4.04
15. CPF Debenture #2/2013 Series 2	2,200	2 Aug 2013	2 Aug 2019	6	4.54
16. CPF Debenture #2/2013 Series 3	5,500	2 Aug 2013	2 Aug 2021	8	4.90

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

In addition to CPF's debentures, in January 2014, C.P. Foods Holdings Limited (CPFH), a 100% holding subsidiary of CPF also issued exchangeable bonds (EBs) totaling USD 290.4 million due in 2019 with a per annum coupon of 0.5%. 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: THB 33.03).

As of 31 December 2014 the carrying amount of the EBs was USD 292 million or equivalent to THB 9,599 million.

(3) Sources of Capital

As at 31 December 2014, the Company's debt to equity

ratio was 1.54 times while the 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:

	Net Debt to Equity Ratio (Times)	
	Consolidated financial statements	Separate financial statements
Debentures issued before CPF debenture #1/2013 ²¹	1.29	0.76
CPF debentured # 1/2013 ²¹	1.29	N/A
CPF debentured # 2/2013 ²²	0.94	N/A

Note: The net debt to equity ratio which the Company has to maintain under the specified Terms and Condition of debenture issuers and holders for all debentures is no more than 2 times and 1.15 : 1.00 times, respectively on a consolidated basis and on a Company stand alone basis for the financial periods ending 30 June and 31 December for which the financial auditor has either reviewed or audited (as the case may be).

Total liabilities as at 31 December 2014 totaled THB 252,798 million, a 7% increase over the previous year. Interest bearing debt increased by THB 9,524 million while non-interest bearing debt increased by THB 7,843 million. Non-interest bearing debt and interest bearing debt total THB 56,869 million and THB 195,929 million, respectively. Of the total interest bearing debt, THB 79,503 million is short-term while the long-term portion is THB 116,426 million.

As of 31 December 2014, total shareholders' equity totaled THB 163,966 million, an increase of 27% over the previous year as a result of an increase in non-controlling interests occurred from partial disposal of interest in subsidiary and surplus from the change in equity in subsidiaries.

(4) Capital Expenditure Plan for 2015-2019

The Company's estimated capital expenditure for the period of 2015-2019 totals approximately THB 50,000 million. Domestic investments will be geared towards adding value to the Company's current range of businesses while

investments abroad will be geared towards growing its business and expanding its market reach. The investment budget is subject to change as the situation may warrant.

(5) 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 26 February 2015, the Company's Board of Directors passed a resolution to approve a dividend payment to shareholders of THB 0.75 per share in total. The Company paid the first dividend payment to shareholders, as an interim dividend of THB 0.30 per share on 12 September 2014. Therefore, the second dividend payment will be THB 0.45 per share. The Board of Directors will propose such dividend payment to the Annual General Shareholders' Meeting No. 1/2015, to be held on 22 April 2015 for further approval.

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

(6) 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 section "Risk Factors", 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 EMS epidemic which requires the cooperation of relevant parties to overcome. Economic health and political stability of various countries around the world are a direct uncontrollable factors bearing direct impact on the Company's operations.

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 according to 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 effective internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for the protection of Company assets as well as preventing fraud 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 reasonably assure 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 2014.

Mr. Dhanin Chearavanont
Chairman of the Board of Directors

Mr. Adirek Sripratak
President and Chief Executive Officer

THE AUDITORS' REMUNERATIONS



CPF's auditors in the year 2014, considered and proposed by the Audit Committee which then approved by the Annual General Shareholders' Meeting No. 1/2014, 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 and its subsidiaries paid to KPMG Phoomchai Audit Limited in 2014¹, were as follows:

Unit: THB

	CPF	Subsidiaries
The audit fees on company's accounts	3,290,000	9,599,000
Other audit fees on special projects	300,000	900,000

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

RISK FACTORS



Countries in the Euro zone, China and Japan continued to experience economic problems. The Eurozone economy had slower growth than expected due to economic situations in major economies. While Chinese government depended less on investment as a driving force behind the economy, Japan raised its sales tax and caused the economy to contract more drastically than expected. These developments affected Thai economy which heavily relied on exports. The Thai economy continued to grow slowly as household consumption remained low and the first half of 2014 saw the country in grave political crisis. These factors might have affected the Company's ability to achieve its business goals and objectives. Recognizing the risks resulting from this situation and other key risk factors, the Company has undertaken close monitoring and assessment of their long-term and short-term effects for the benefit of effective risk management.

Risk management has been integrated into the Company's daily operations. The Company has a Risk Management sub-committee tasked to assess risks related to its operations and also to determine means to mitigate such risks. Each department as risk owners is tasked to manage its own risk. In 2014, the further analysis of the relationship between the risk factors established in the previous year gave an important insight that enabled the Company to better manage those risks. Key risks identified imperative for management include the following:

1. Strategic Risks

1.1 Changes in Consumer Behavior

Consumers have increasingly placed greater values on convenience, health, freshness and cleanness, safety, as well as environmentally-friendliness when it comes to making decisions about food products. In addition, they are concerned about whether the raw materials come from sustainable sources that comply with legal requirements. In response to such concerns, CPF must carefully examine all

of its operations, starting at the product development phase, all the way to procurement of raw materials, production, and delivery.

Risk Mitigation Approach

The Company closely follows changes in consumer behavior and regularly assesses consumer satisfaction in the domestic and international markets. Continuous product research and development by nutrition experts is geared towards better catering to the needs of its customers. The Company also cooperates with business partners in finding sustainable sources of raw materials. Furthermore, the Company employs a communication strategy with the general public providing information regarding its international standard environmentally friendly production process in preparing quality and safe food.

1.2 Climate Variability

The variability of climate conditions has caused storms, floods and droughts to occur more frequently and have more severe affects than in the past. These natural disasters directly impact agricultural productivity, as they affect harvesting and cultivating schedule, as well as quality and quantity of agricultural output. This leads to fluctuation in quality and price of raw materials used in animal feed production, animal husbandry, and food processing. As a producer of agricultural and food products, the Company cannot avoid or eliminate those risks arising from the variability of climate and environmental conditions.

Risk Mitigation Approach

To offset the risk from natural disasters, the Company closely and continuously monitors global weather reports and forecasts, seasonal variability and harvesting periods to gather data and information necessary for making reliable projections for global agricultural outputs in terms of quantity, quality and prices. The Company has developed feed formulas of comparable quality and nutrient values that use diverse raw materials. Site surveys are conducted and data on past natural disasters are analyzed to ensure

safe and suitable locations for plants and farms. Animal farms and farming techniques are designed to minimize the impact of changing weather conditions on farm animals and products.

On the organization level, a Crisis Management Team has been set up to handle crisis response promptly and appropriately. Emergency plans for different disasters have been specified and emergency drills are conducted periodically. The Team co-ordinates with other units both within and outside the company in following closely disaster related information so as to be able to analyze the situation and take appropriate actions in time should any crisis occurs.

1.3 Overseas Investment and Operations

The Company has expanded its business into countries that have potential for growth and ability to generate profit through acquisition or investment in businesses with high potential or direct investment which are all part of the Company's sustainability strategy. They also increase business opportunity and growth potential of both sales and profits as well as diversify investment risk. The performance in each country, however, may not achieve the targets set by the Company due to certain external factors, including political factors, laws and regulations, trade policies, economic conditions, employment situations, local language and culture, and foreign exchange rates as well as other uncontrollable factors. It is important that Company undertake careful and thorough studies and data analyses before making investment decisions. In 2014, revenues arising from international operations accounted for 59% of total sales revenue. (Details of overseas investment are shown under No. 1 General Information, in the Notes to Financial Statement for the year ended 31 December 2014).

Risk Mitigation Approaches

To cope with the risk associated with international investment, the Company has to ensure that the investment is consistent with the Company's strategies, vision and objectives. Then, the Company performs feasibility studies as well as analyzes its rival, marketing opportunity, and investment types before undertaking all new investment. The Company appoints representatives of the important positions such as Controlling Director, Managing Director

and Finance Executive to closely monitor operations in each country. In addition, the Company has a special unit to monitor changes in relevant laws and international trade regulations, so that up-to-date information can be communicated to the management in each country. The Company also sets up meetings of the international operation management team in Thailand to review performance and up-date strategies at least every six months in order to achieve target of each country.

2. Operational Risks

2.1 Product Quality and Safety

Since quality is the most important issue in food production, the Company commits itself to ensuring that throughout the supply chain including product research and development, raw material selection, production process, transportation, storage, and distribution always result in the delivery of a fresh, clean and safe product. Ineffective quality control along the supply chain at any point can adversely affect the quality of the products which may lead to complaint, claim for compensation or product recall which the losses may exceed the amount of the Company's sum insured, and damage to the Company's reputation.

Risk Mitigation Approaches

The Company pays full attention to its production processes to ensure that they meet international standards. This necessitates both full traceability and strict quality assurance throughout the Company supply chain. This covers all processes ranging from raw material selection and inspection, through to production, packaging design, as well as product packaging and transportation processes, then subsequently to the distributors' storage process before products reach the end consumer. The Company has improved purchasing procedure and promoted major raw material production to bring product quality and safety to the highest standard. The Company has random-checked compliance of the system regularly and improved the system continuously. In addition, the Company has set up complaint-response centers and undertaken fast product recalls in crucial cases to ensure consumer safety. Problems that have occurred in the Company and the industry are studied to prevent them from occurring again.

The Company also communicates proper storage instruction to consumers via product labeling and media advertising.

2.2 Animal-Disease Outbreaks

A number of epidemics over the past few years have significantly affected the operations of the Company, especially the Early Mortality Syndrome (EMS) that hit Thailand in late 2012. EMS has caused direct impact on shrimp output. Besides the epidemics that occurred in the past, there are also recurring diseases that affect the efficiency of farming operations. Furthermore, disease outbreaks also cause panic and affect consumers' confidence in meat consumption, leading to less meat consumption which directly affect the Company's business. Therefore, animal-disease outbreak in either Thailand or other countries is a major risk for the Company.

Risk Mitigation Approaches

R&D and laboratory tests to improve animals' resilience to diseases are the major tasks of Breeds R&D and Animal Farming Units and technical offices responsible for diseases control that have undertaken both proactive and reactive actions to prevent and stop epidemics, as in the case of the breeding of Pacific white shrimp, a new breed that reproduces strong, immune white shrimp, that is commercially viable. The Company also introduces closed farming system that emphasizes bio-security sanitary system which reduces risk of EMS due to its controlled environment farming. Closed farming system also helps control production input and reduce costs. Additionally, the Company keeps a close monitoring on information relating to any potential epidemic and on diseases surveillance both in Thailand and abroad. All the knowledge and practices developed by the Company such as genetic breeding, new farming technology and management, sanitation and constant animal care, etc., must be proved and ensured effective results before being applied in the Company's farms and transferred to its contracted farms. This is to ensure contract farmers the effective farming operating results and to reduce the costs of the trial of the farmers as well.

In addition, the farm management techniques and standard of contracted farms have also been improved to better prevent the introduction and spread of animal-disease outbreak. Additionally, in preventing the spread of diseases,

the Company has set up early warning systems, and undertakes assessments to detect risk factors with the potential to cause disease outbreaks. Employees' knowledge and understanding of disease outbreaks are constantly being updated through ongoing personnel development programs. Correct and relevant information is also provided to the general public. Finally, the Crisis Management Team will promptly response if the epidemic occurs. Contingency plan for the epidemic also have been established.

2.3 Efficiency of Supply Chain Management

The Company needs to manage all stages of its supply chain, from feed manufacturing, farming and aquaculture, food production, to retail outlet businesses. Decision making on sales forecast, production planning, procurement, production, inventory control, and delivery of products to end consumers or next business units, must be integrated throughout the chain. Without efficient collaboration and close coordination from all the business units involved, production costs would increase and quality of products may be affected.

Risk Mitigation Approaches

Recognizing the significance of value chain management, the Company's executives perform thorough analysis on economic conditions, industry outlook and consumer consumption trends in order to make sales forecast, production planning and budgeting more efficiency and accuracy. Furthermore, the Company has continuously improved its entire operational process as well as uses modern technology for more effective analysis, planning and decision making so as to improve overall operating efficiency and accuracy. Employees are encouraged to increase their knowledge and necessary skills as well as adopting innovations in their work to enhance greater efficiency and lower costs.

2.4 Volatility of Commodity Prices

- Volatility of Prices of Raw Materials used in Feed Production

Quantity and availability of agricultural commodities are influenced by climate change, increasing demand, as well as speculation in the forward market, all of which can affect prices, which in turn raise production costs for the Company.

Risk Mitigation Approaches

The Company has a central procurement unit responsible for securing raw materials for animal feed production. Its special team will search for quality suppliers and sources of sufficient quantity both domestically and internationally to meet production demand. It also keeps a close watch on relevant information and any changes in and trends of raw materials supply to make procurement plans and advance purchase orders with close and reliable business partners. The Company also uses financial derivatives to minimize the impact of fluctuations in the price of raw materials.

In addition, the Company's research department is actively engaged in identifying substitute raw materials, of equal or superior quality, for use in production to reduce reliance on any one raw material.

- **Volatility of Prices of Live Animals and Processed Meat**

Besides the prices of raw materials for animal feed products, the prices of the Company's farm products which include live animals, processed meat and eggs also depend on the demand and supply at any particular time. The supply of these farm products is expected to increase as both large and small scale farming have substantially increased their production capacity. If the growing supply is inconsistent with demand from the consumers, the prices of farm products will inevitably be affected and the volatility of the farm product prices may have an impact on the Company's revenue and profit.

Risk Mitigation Approaches

To manage risk from volatility of prices on live animals, processed meat and eggs, the Company aims to increase the proportion of value added products through promoting the Company's brands, developing food products that are more responsive to consumers' needs, and increasing distribution channels both in retail, wholesale, and modern trades, etc. In addition, The Company has a specialist unit to closely monitor all relevant information and situations that may affect the price of farm products including industry outlook, price trends and market supply, so as to be able to adjust the Company's production capacity to meet the market demand as well as to find potential market with more demand to help mitigate the risk of price volatility of these products.

2.5 Ability to Recruit and Retain Knowledgeable and Capable Staff

As a leading agro-industry and food conglomerate, the Company's integrated operations spans the range from producing animal feed to animal farming to food production and distribution. The Company's business operations in each area depend greatly on employees with skills and expertise. Without the ability to recruit and retain such human resources, as well as develop them to grow together with the Company, it would not be able to achieve its business goals.

Risk Mitigation Approaches

The company places great importance on human resource management, starting from the recruitment process in which applicants' qualifications are evaluated by committees from each of the business group and appropriate terms and conditions of employment which are competitive in their respective industry are prepared. In employee development, knowledge and skills necessary for each job and work position have been determined; career paths are formed and ongoing training, both technical and managerial, is part of the requirement to develop such skill sets that prepare employees for future growth opportunities. In an effort to retain capable and valued employees, findings from surveys on the bond between employees and the Company are used to improve many aspects of the Company, and the communication within the organization. In addition, Talent Management has been initiated together with succession plans to ensure sustainable growth for the Company.

3. Financial / Financial Reporting Risk

3.1 Foreign Exchange Volatility

The Company's financial transactions are executed in both local and foreign currencies. It receives foreign currencies from exporting of goods and remittance of profits from overseas investments, while it pays out foreign currencies for import of raw materials, machines and equipment, and new investment in foreign countries. In 2014, the export value of CPF and its subsidiaries in Thailand was THB 26,986 million, or 6% of total sales revenue. Imported raw materials, used in animal feed production, amounted to THB 24,798 million or 7% of total cost of goods sold. As the Company is obligated to file financial statements to related regulatory

authorities which require conversion of foreign currencies into Thai baht, the Company's operations and financial status may be adversely impacted by risk from exchange rate fluctuations.

Risk Mitigation Approaches

The Company's assets and liabilities as well as future cash flow in foreign currencies are naturally hedged in appropriate proportions. Additionally, its financial specialists, guided by the Company's policy, rules and regulations, use financial derivatives to hedge foreign currency exposure and to mitigate the fluctuating exchange rate. Engaging in financial derivatives enables the Company to achieve a greater degree of certainty over its local currencies' cost and revenue levels, and to set the selling price more effectively. Moreover, The Company has policies to trade in various international currencies, so as to minimize the risk of over-exposure in any one currency.

3.2 Interest Rate Volatility

The Company makes financing decisions based on current and forecast factors in the financial and capital markets. Borrowing at floating interest rates, which constitute a part of the Company's total liabilities, is subject to volatility of interest rate. As of 31 December 2014, the Company's floating-interest loans accounted for 21% of its total borrowing.

Risk Mitigation Approaches

In planning about sources of funding, many factors including return to shareholders and current and forecasted market interest rates are taken into consideration. The Company's specialist department consistently monitors of money market and interest rate movements as well as seek for recommendations of consultant firms if needed. The Company mostly use fixed interest rate loans to guard against interest rate volatility which can affect borrowing costs throughout the loan period. Financial derivatives such as interest rate swaps are used for significant items of floating rate loans so that the Company's borrowing cost are optimize with respect to the market condition at the time.

4. Compliance Risks

Operating integrated businesses in both Thailand and overseas as well as exporting products and making direct investments in countries around the globe, the Company is regulated under various local laws and policies as well as international trade laws. Compliance with these law and regulations that are different from country to country may increase the Company's operating costs.

Moreover, the Company is faced with both tariff and non-tariff trade barriers aimed at protecting local industries, and because Thailand had been ranked by the World Bank as a higher middle-income country for three consecutive years, EU countries have excluded Thailand from Generalized System of Preferences (GSP) coverage since January 2015, causing Thai companies to pay tariffs at the normal rates as allowed by WTO agreements. These factors and developments have the potential to adversely impact the Company's competitive edge.

Risk Mitigation Approaches

The Company continuously studies and closely monitors all regulatory changes and make every personnel understand that it is pertinent to strictly follow the laws and regulations concerning all the tasks under their duty and responsibilities. A specialist department is tasked with monitoring the issuances and enforcement of and changes in laws and regulations on trade and trade barriers of each country, and conducting impact analyses of such developments. The accurate, up-to-date information and findings are used as a basis for developing strategies and are communicated to the Company's personnel. The Company also ensures strict legal and regulatory compliance through close supervision

5. Corporate Image and Reputational Risks

Advanced technology and increased communication channels have vastly speed up the spread of information. Dissemination of content with misinformation through multiple channels can damage the Company's brand and corporate image and reputation.

Additionally, as the Company operates a fully-integrate agricultural and food business aiming to provide food security to the country's population, society may view the scope of its operations as a monopoly. Moreover, as the leading feed manufacturer, the Company has been linked, along with the rest of Thailand's seafood industries, to human trafficking in the fishing industry. Such issues can adversely impact the Company's credibility and consumer confidence.

Risk Mitigation Approaches

Corporate image and reputational risks are as much of a top priority as that of other corporate risks. Company, therefore, values corporate governance in all its operations. The Company's operations strictly comply with all relevant laws and regulations. It deals with business partners with

fairness, and fully embraces corporate social responsibility towards the society, the community and the country. In addition, the Company has continuously improved its intra-organizational communication so that the employees can effectively communicate accurate information to the associated people in a timely manner.

To ensure the accuracy and sufficiency disclosure of information to general public, the Company specified guidelines regarding the information disclosure as well as the personnel who are authorized to disclose information to the public. Furthermore, the Company has worked with governmental agencies, organizations and associations to promote Thailand's food industry in the world community. When investing in CPF securities and/or having a vested interest in the Company, stakeholders and investors should consider risk factors that may put the Company in extraordinary situations and affect its normal operation and/or financial performance. Such risks may hinder the Company's efforts to fulfill its objectives and targets.

In addition to the above risks, there may be other risks which are not known to the Company at this time, or which the Company views as insignificant in relation to its operations.

INDUSTRY OVERVIEW



2014 Agricultural Economic Condition of Main Products and 2015 Outlook

Broilers

Global production of broilers reached 86 million tons in 2014, representing a 1.7% growth over the previous year. The United States remained the biggest producer with a production volume of 17.3 million tons, followed by China at 13 million tons, Brazil at 12.7 million tons and the European Union (EU) at 10 million tons.

Poultry production in Thailand totaled 1.7 million tons – an increase of 9.6% over 2013 – comprise 1.1 million tons for domestic consumption and 0.6 million tons for export. Thai poultry production has met required standards and safety system resulting in an increase in production in respond to consumption demand and higher export volume.

The Office of Agricultural Economics projected an increase of global broilers production to 87.4 million tons in 2015 or a 2% growth compared to the previous year. The expansion of global poultry production was in accordance to higher demand from the Middle East and Southern African countries.

The Thai Broilers Processing Exporters Association expected a rise in Thai poultry production in 2015 due to higher population and consumption demand in domestic and overseas markets. Thailand's poultry production should reach 1.7 million tons or a 3% increase over 2014.

Thailand's broilers export was projected to increase in 2015 in line with higher demand in Japan and the EU – the major export markets for Thailand. Additionally, other markets such as Russia and the Philippines are likely to import more broilers from Thailand. Traceability and compartment system have strengthened confidence and reliability in Thailand's broilers production among overseas importers. It is advantageous in expanding Thailand's broilers export.

Swine

Global swine production continued to rise in 2014 to 110.6 million tons or an increase of 1.6% over 2013 according to the production expansion by major producers i.e. China, EU, Brazil, Russia, Canada and Vietnam. China, the largest producer of pork, produced over 50% of global production, representing a 3% increase. China government has been promoting swine farming from an increasing in domestic consumption demand. However, The United States, the third largest producer, faced a 2% drop in production after it was hit by Porcine Epidemic Diarrhea (PED).

Swine production in Thailand reached 12.8 million units in 2014, a 1.9% decline from the previous year. Hot and unstable weather led to diarrhea and Procine Reproductive and Respiratory Syndrome (PRRS). Pork is mainly produced and sold in the local market which is approximately 95% of total production volume.

The United States Department of Agriculture (USDA) predicted an expansion in global swine production in 2015 to 111.8 million tons or a 1% increase over 2014. It was expected that major producers including China, the Unites States, Brazil, Russia, Vietnam, Canada and the Philippines will increase their productions. Production in the United States will rise in tandem with the opening of more processing plants and higher weight of fattening swine. Production in the EU would slightly decline – an impact from animal welfare policies.

The Office of Agricultural Economics expected total swine production in Thailand at 13.1 million units in 2015 – a 2% increase over 2014. The price of swine was high in 2014, compelling large and medium producers to increase their productions. Exports of cut pork and processed pork were expected to increase from the declining price trend of pork in 2015 and the opening of new markets such as Russia.

Shrimp

Global shrimp production reached 2.2 million tons in 2014, a 25% increase over 2013 due to an increase in production level in several countries including Vietnam, India and Indonesia. Production in Thailand and China declined due to concern among farmers over the outbreak of the Early Mortality Syndrome (EMS) since late 2012. Some farmers have temporarily stopped raising shrimp or lowered their production.

Shrimp production in Thailand declined compared to 2013. Despite a joint effort by the Fisheries Department and the private sector in controlling the EMS disease, farmers'

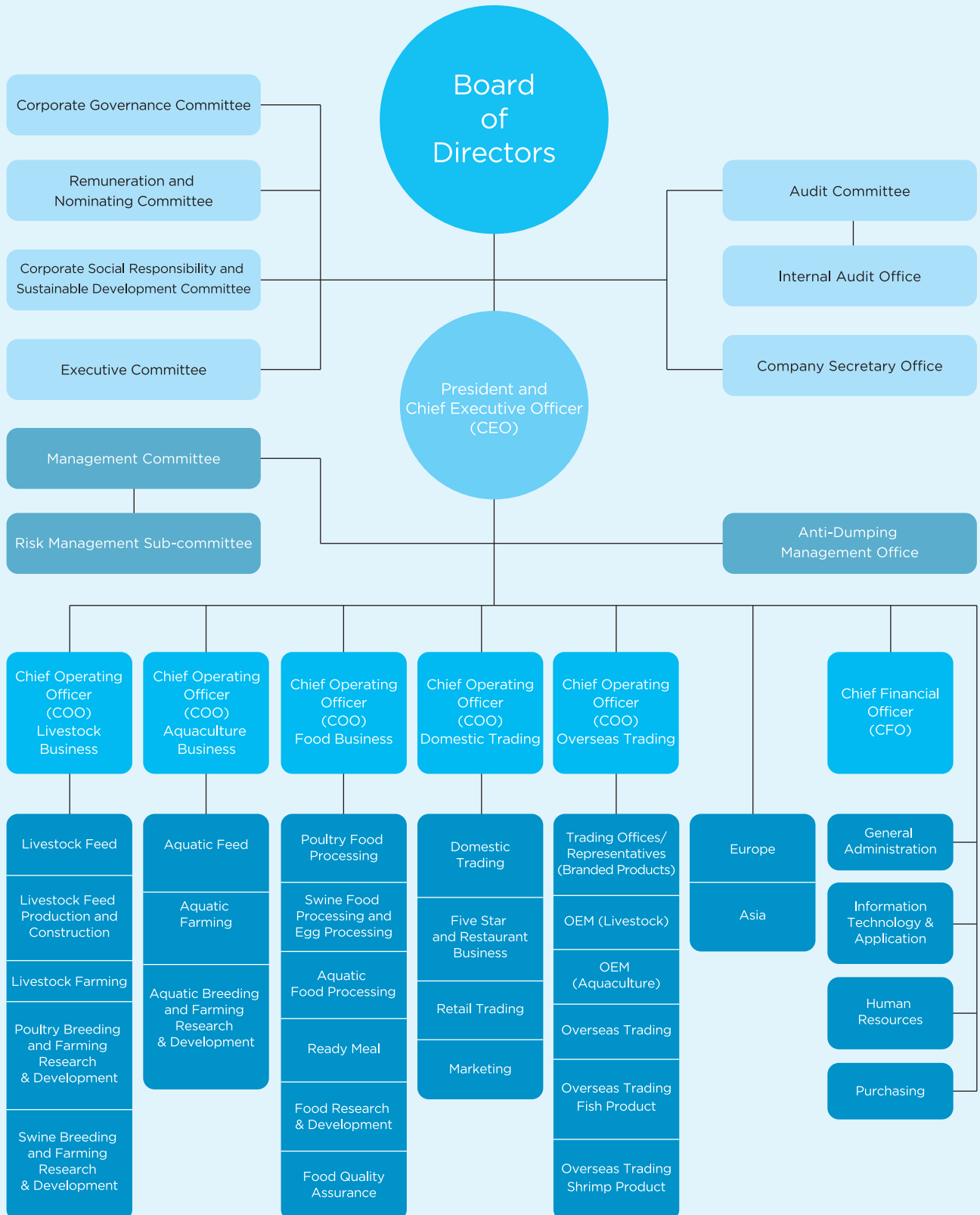
confidence was shaken, resulting in 230,000 tons of production in 2014, or an 8% drop from 2013. Due to the high demand from overseas for top-quality shrimp from Thailand, the price of Thai shrimp has remained high.

The Thai Shrimp Association expected the global shrimp production in 2015 to grow from 2014. Major producing countries have taken measures to solve the EMS in shrimp and strengthening farmers' confidence. As for Thai shrimp production, it was expected to increase to 300,000 tons or a 30% increase over 2014.

Sources: Bureau of Agricultural Economic Research
Center for Agricultural Information, Office of Agricultural Economics
Thai Broilers Processing Exporters Association
National Bureau of Agricultural Commodity and Food Standards
USDA
Thai Shrimp Association

MANAGEMENT STRUCTURE

As of 25 February 2015



MANAGEMENT



Board of Directors

As of 25 February 2015, CPF's Board of Directors consisted of the following 15 directors:

	Name	Position
1.	Mr. Dhanin Chearavanont	Chairman ⁽¹⁾
2.	Mr. Prasert Poongkumarn	Vice Chairman
3.	Mr. Min Tieworn	Vice Chairman
4.	Mr. Chingchai Lohawatanakul	Vice Chairman ⁽¹⁾
5.	Mr. Arsa Sarasin	Vice Chairman ⁽²⁾
6.	Mr. Adirek Sripratak	Vice Chairman ⁽¹⁾
7.	Professor Dr. Athasit Vejajiva	Director ⁽²⁾
8.	Emeritus Professor Supapun Ruttanaporn	Director ⁽²⁾
9.	Dr. Chaiyawat Wibulswasdi	Director ⁽²⁾
10.	Professor Dr. Pongsak Angkasith	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⁾

Ms. Patchara Chartbunchachai is the Company Secretary.

⁽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

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 25 February 2015, 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.
- (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 five years;
- (4) To consider and approve the Company's objectives, strategies and business plans, 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.

Audit Committee

CPF's Audit Committee and its chairman were appointed by the Board of Directors. The current Audit Committee term is for a period of three years which expires on 23 December 2017. As of 25 February 2015, the members of the Audit Committee are the following five independent directors:

Audit Committee

	Name		Position
1.	Mr. Arsa	Sarasin	Chairman of the Audit Committee
2.	Professor Dr. Athasit	Vejjajiva	Member of the Audit Committee
3.	Emeritus Professor Supapun	Ruttanaporn	Member of the Audit Committee
4.	Dr. Chaiyawat	Wibulswasdi	Member of the Audit Committee
5.	Professor Dr. Pongsak	Angkasith	Member of the Audit Committee

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

Emeritus Professor Supapun Ruttanaporn and Dr Chaiyawat Wibulswasdi, two 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 9 June 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 and internal audit 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, as well as to propose their remuneration and to attend the meeting with the external auditors, without the management in attendance, 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:
 - a commentary on the accuracy, completeness and creditability of the Company's financial report;
 - a commentary on the adequacy of the Company's internal control system;
 - 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;
 - a commentary on the suitability of the external auditors;
 - a commentary on transactions that may involve potential conflicts of interest;
 - the number of audit committee meetings and the number times of attendance at such meetings by each audit committee member;
 - a commentary or overview of the Audit Committee on the performance of its duties in accordance with the audit committee charter; and
 - 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.

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 expires on 31 March 2015. 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 25 February 2015, the Remuneration and Nominating Committee comprises three members: two members are independent directors, and the remaining is a non-executive director, as follows:

Remuneration and Nominating Committee

	Name		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. Athasit	Vejjajiva	Member of the Remuneration and Nominating Committee

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, s/he 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;
- (2) if there is a vacancy on the Board of Directors, 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.

Corporate Governance Committee

CPF's Corporate Governance Committee was appointed by the Board of Directors on 16 January 2013. The Corporate Governance Committee term is for a period of three years effective from 16 January 2013 onwards.

As of 25 February 2015, the Corporate Governance Committee comprises three members: two members are independent directors, and the remaining is a non-executive director, as follows:

Corporate Governance Committee

	Name		Position
1.	Mr. Arsa	Sarasin	Chairman of the Corporate Governance Committee
2.	Dr. Veeravat	Kanchanadul	Vice Chairman of the Corporate Governance Committee
3.	Dr. Chaiyawat	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.

Corporate Social Responsibility and Sustainable Development Committee

CPF's Corporate Social Responsibility and Sustainable Development Committee was appointed by the Board of Directors on 9 November 2012. The Social Responsibility and Sustainable Development Committee term is for a period of three years effective from 16 November 2012 onwards.

As of 25 February 2015, the Corporate Social Responsibility and Sustainable Development Committee comprises three members: two member is independent director, and another one members are executive directors, as follows:

Corporate Social Responsibility and Sustainable Development Committee

	Name		Position
1.	Dr. Chaiyawat	Wibulswasdi	Chairman of the Corporate Social Responsibility and Sustainable Development Committee
2.	Mr. Adirek	Sripratak	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 Meetings in 2014

Name		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	7/10				
2. Mr. Prasert	Poongkumarn	8/10		2/2		
3. Mr. Min	Tianworn	10/10				
4. Mr. Chingchai	Lohawatanakul	9/10				
5. Mr. Arsa	Sarasin	8/10	9/10	2/2	1/1	
6. Mr. Adirek	Sripratak	8/10				2/2
7. Professor Dr. Athasit	Vejjajiva	9/10	9/10	2/2		
8. Emeritus Professor Supapun	Ruttanaporn	10/10	10/10			
9. Dr. Chaiyawat	Wibulswasdi	9/10	9/10		1/1	2/2
10. Professor Dr. Pongsak	Angkasith	10/10	10/10			2/2
11. Mr. Phongthep	Chiaravanont	9/10				
12. Dr. Veeravat	Kanchanadul	10/10			1/1	
13. Mr. Pong	Visedpaitoon	9/10				
14. Mr. Sunthorn	Arunanondchai	9/10				
15. Mrs. Arunee	Watcharananan	9/10				

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.

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 25 February 2015, the members of CPF's Executive Committee are as follows:

Executive Committee

	Name	Position
1.	Mr. Chingchai Lohawatanakul	Chairman of the Executive Committee
2.	Mr. Adirek Sripratak	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 Chirakitcharern	Executive Director and Secretary of Executive Committee

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.

Executives

As of 25 February 2015, CPF's management comprises the following:

	Name	Position
1.	Mr. Adirek Sripratak ⁽¹⁾	President, Chief Executive Officer (CEO) and Acting Chief Operating Officer - Food Business
2.	Mr. Pong Visedpaitoon ⁽¹⁾	Chief Operating Officer - Aquaculture Business
3.	Mr. Teerasak Urunanon ⁽¹⁾	Chief Operating Officer - Livestock Business
4.	Mr. Virachai Ratanabanchuen ⁽¹⁾	Chief Operating Officer - Domestic Trading
5.	Mr. Pisit Ohmpornnuwat ⁽¹⁾	Chief Operating Officer - Overseas Trading
6.	Mr. Paisan Chirakitcharern ⁽¹⁾	Chief Financial Officer
7.	Mr. Rewat Hathaisattayapong	Executive Vice President - Livestock Feed Unit
8.	Mr. Virote Kumpeera	Executive Vice President - Livestock Feed Production and Construction Unit
9.	Mr. Songsak Futrakul	Executive Vice President - Livestock Farming Unit
10.	Mr. Prajit Udnoon	Executive Vice President - Poultry Breeding and Farming Research and Development Unit
11.	Mr. Somkuan Choowatanapakorn	Executive Vice President - Swine Breeding and Farming Research and Development Unit
12.	Mr. Vitit Pootanasap	Executive Vice President - Aquatic Feed Unit
13.	DVM Sujint Thammasart	Executive Vice President - Aquatic Farming Unit and Aquatic Breeding and Farming Research and Development Unit
14.	Mr. Siripong Aroonratana	Executive Vice President - Poultry Food Processing Unit
15.	Mr. Prapoj Choakpichitchai	Executive Vice President - Swine Food Processing Unit and Egg Processing Unit
16.	Mr. Sukhawat Dansermasuk	Executive Vice President - Aquatic Food Processing Unit and Food Research and Development Unit
17.	Mr. Narerk Mangkeo	Executive Vice President - Ready Meal Unit
18.	Dr. Sommai Tachasirinugune	Executive Vice President - Food Quality Assurance Unit
19.	Mr. Prasit Boondoungprasert	Executive Vice President - Domestic Trading Unit, Retail Trading Unit and Overseas Trading Unit
20.	Mr. Sathit Sangkanarubordee	Executive Vice President - Five Star and Restaurant Business Unit
21.	Mr. Vittavat Tantivess	Executive Vice President - Marketing Unit
22.	Mr. Viboon Supakarapongkul	Executive Vice President - Overseas Trading - Fish Product Unit
23.	Mr. Somchai Triamchaipisut	Executive Vice President - Overseas Trading - Shrimp Product Unit
24.	Mr. Voravit Janthanakul	Executive Vice President - General Administration Unit
25.	Mr. Pradern Chotsuparach	Executive Vice President - Information Technology and Application Unit
26.	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:
 - Short-term loans between the Company and subsidiaries in which the Company directly or indirectly holds at least 90% of the shares.
 - 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 THB 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.

Company Secretary

The Board of Directors Meeting, convened on 27 August 2008, passed a resolution to appoint Ms. Patchara Chartbunchachai to be the Company Secretary, and 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 executive shareholding report, and performing other duties as required by the Capital Market Supervisory Board.

Remuneration of Directors and Executives

The Board of Directors requires the Remuneration and Nominating Committee to determine directors' remuneration each year, and to propose this to the Board of Directors for approval by the shareholders. 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.

Remuneration of the Board of Directors

Monetary remuneration in 2014 of the Board of Directors amounted to a total of THB 46.7 million¹, 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 directors of subsidiaries, and this amounted to THB 1.4 million. Remuneration of the Audit Committee for 2014 was THB 15 million. Details of these are given below:

¹ Including THB 31,372 which was the special remuneration paid to Pol. Gen. Pow Sarasin (passed away on 7 March 2013) in year 2014.

Unit : Baht

Name	CPF		Directors of
	Directors	Audit Committee	Subsidiaries
1. Mr. Dhanin Chearavanont	5,055,326	-	-
2. Mr. Prasert Poongkumarn	3,791,747	-	64,293
3. Mr. Min Tieworn	3,791,747	-	-
4. Mr. Chingchai Lohawatanakul	3,791,747	-	-
5. Mr. Arsa Sarasin	3,767,681	5,400,000	-
6. Mr. Adirek Sripratak	3,782,141	-	770,000
7. Professor Dr. Athasit Vejajiva	2,527,798	2,400,000	-
8. Emeritus Professor Supapun Ruttanaporn	2,527,798	2,400,000	-
9. Dr. Chaiyawat Wibulswasdi	2,527,798	2,400,000	-
10. Professor Dr. Pongsak Angkasith	2,460,455	2,400,000	-
11. Mr. Phongthep Chiaravanont	2,527,798	-	-
12. Dr. Veeravat Kanchanadul	2,527,798	-	-
13. Mr. Pong Visedpaitoon	2,527,798	-	-
14. Mr. Sunthorn Arunanondchai	2,527,798	-	-
15. Mrs. Arunee Watcharananan	2,527,798	-	590,000

Other Remuneration -None-

Remuneration for the Executives

Monetary Remuneration in 2014, including monthly salary and other benefits for six Executives of CPF amounted to a total of THB 142 million.

Other Remuneration -None-

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 2014 are summarized as follows:

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.

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.

BRIEF PROFILE OF DIRECTORS AND MANAGEMENT

Mr. Dhanin Chearavanont

75 years of age

Chairman of the Board of Directors

Education

- National Defense College, Thailand
- Commercial School, Hong Kong
- Shantou Secondary School, China
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 21 years

Family relations with other executives

- Cousin of Mr. Phongthep Chiaravanont

Positions in the Company's subsidiaries

- Chairman and Chairman of the Nomination Committee, C.P. Pokphand Co., Ltd.
- Chairman, Chia Tai (China) Investment Co., Ltd.

Work Experience for the past 5 years

- Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, CP ALL Plc.
- Chairman, True Corporation Plc.
- Honorary Chairman, True Move Co., Ltd.
- Director, Bangkok Inter Teletech Plc.
- Director, C.P. Land Plc.
- Director, C.P. Intertrade Co., Ltd.

Mr. Prasert Poongkumarn

78 years of age

Vice Chairman and a member of the Remuneration and Nominating Committee

Education

- Honorary Doctorate in Agricultural, Chiang Mai University, Thailand
- Honorary Doctorate in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctorate in Social Development, Prince of Songkla University, Thailand
- Honorary Doctorate in Agriculture, Jejiang University, Chengchou province, China
- Honorary Professor in Agriculture, Jejiang University, Chengchou province, China
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 21 years

Family relations with other executives

- Brother-in-Law of Mr. Phongthep Chiaravanont

Positions in the Company's subsidiaries

- Chairman, C.P. Vietnam Corporation
- Chairman, CPF Food Trading Co., Ltd.
- Director, Charoen Pokphand Enterprise (Taiwan) Co., Ltd.
- Director, CPF (INDIA) Pte. Ltd.

Work Experience for the past 5 years

- Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman, CPPC Plc.
- Director, C.P. Land Plc.
- Director, C.P. Intertrade Co., Ltd.

Mr. Min Tieworn

78 years of age

Vice Chairman

Education

- Honorary Professor in Economics, Jejiang University, Chengchou province, China
- Honorary Doctorate in Sociology and Anthropology, Ramkamhaeng University, Thailand
- Enrollment in Director Accreditation Program on 4 April 2005, the Thai Institute of Directors Association

Years of Directorship 21 years

Positions in the Company's subsidiaries

- Director, CPF Investment Ltd.

Work Experience for the past 5 years

- Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Director, C.P. Land Plc.
- Director, C.P. Intertrade Co., Ltd.

Mr. Chingchai Lohawatanakul

75 years of age

Vice Chairman and Chairman of the Executive Committee

Education

- Master of Science, Arizona State University, USA
- Enrollment in Director Certification Program No. 5/2001, the Thai Institute of Directors Association

Years of Directorship 21 years

Positions in the Company's subsidiaries

- Chairman, C.P. Aquaculture (Beihei) Co., Ltd.

- Director, CPF Investment Ltd.
- Director, C.P. Aquaculture (Dongfang) Co., Ltd.
- Director, C.P. Aquaculture (Hainan) Co., Ltd.
- Director, Chia Tai (China) Investment Co., Ltd.

Work Experience for the past 5 years

- Vice Chairman, Charoen Pokphand Group Co., Ltd.

Mr. Arsa Sarasin

78 years of age

Vice Chairman, Chairman of the Audit Committee, Chairman of the Remuneration and Nominating Committee and Chairman of the Corporate Government Committee

Education

- Bachelor degree in Business Administration, Boston University, USA
- Enrollment in Directors Accreditation Program No. 5/2003, the Thai Institute of Directors Association
- Enrollment in Audit Committee Program No.19/2007, the Thai Institute of Directors Association
- Enrollment in Finance for Non-Finance Director Program No.39/2008, the Thai Institute of Directors Association
- Enrollment in Role of the Chairman No. 32/2013, the Thai Institute of Directors Association

Years of Directorship 16 years

Work Experience for the past 5 years

- Chairman, Padaeng Industry Plc.
- Chairman, Siam Makro Plc.
- Chairman, Thai Asia Pacific Brewery Co., Ltd.
- Chairman, Maesod Palang-ngarn Sa-ad Co., Ltd.

- Director, Siam Cement Plc.
- Director, Thai Pure Drinks Co., Ltd.
- Vice Chairman, Thai Tapioca Development Institute Foundation
- His Majesty's Principal Private Secretary (2000-2012)

Mr. Adirek Sripratak

68 years of age

Vice Chairman, a member of the Corporate Social Responsibility and Sustainable Development Committee, President, Chief Executive Officer, and Acting Chief Operating Officer - Food Business

Education

- Honorary Doctorate in Business Administration (Management), Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctorate in Philosophy, Faculty of Food Technology, Mae Fah Luang University, Thailand
- Honorary Doctorate in Philosophy, Faculty of Food Science, Kasetsart University, Thailand
- Honorary Doctorate in Science, Maejo University, Thailand
- Honorary Doctorate in Economics, Chiang Mai University, Thailand
- Honorary Doctorate in Science, Food Science and Technology, Rajamangala University of Technology Isan, Thailand
- Enrollment in Director Certification Program No. 5/2001, the Thai Institute of Directors Association
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 17 years

Family relations with other executives

- Elder brother of Mrs. Arunee Watcharananan

Positions in the Company's subsidiaries

- Chairman, CPF (Thailand) Plc.
- Vice Chairman and a member of the Remuneration Committee and the Nomination Committee, C.P. Pokphand Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Training Center Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Bright Excel Investments Ltd.
- Director, CPF (INDIA) Pte. Ltd.
- Director, Charoen Pokphand (Taiwan) Investments Ltd.
- Director, Charoen Pokphand Foods Kenya Co., Ltd.
- Director, Chia Tai (China) Investment Co., Ltd.
- Director, Coinaton Investments Ltd.
- Director, CPF Investment Ltd.
- Director, CPF Tanzania Ltd.
- Director, C.P. Vietnam Corp.
- Director, CPVN Ltd.
- Director, C.P. Laos Co., Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.

Work Experience for the past 5 years

- Honorary Chairman, the Thai Broiler Processing Exporters Association
- Director, CP ALL Plc.
- Director, Siam Makro Plc.
- Director, CP-Meiji Co., Ltd.

Professor Dr. Athasit Vejjajiva

79 years of age

Director, a member of the Audit Committee and a member of the Remuneration and Nominating Committee

Education

- FRCP, the Physician's College of London, UK
- Honorary Doctorate in Internal Medical, Mahidol University and Rangsit University, Thailand
- Honorary Doctorate in Clinical Science, Mahidol University, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 16 years

Work Experience for the past 5 years

- Honorary Doctorate, Mahidol University
- Fellow of the Royal Institute, the Academy of Science
- Chief Advisor of the President of the Royal Institute (2006-2012)

Professor Emeritus Supapun Ruttanaporn

70 years of age

Director and a member of the Audit Committee

Education

- Master of Business Administration (Accounting), Michigan State University, USA
- Bachelor degree in Accounting (Honor), Chulalongkorn University, Thailand
- Enrollment in Director Certification Program No. 15/2002, the Thai Institute of Directors Association
- Certificate, "PoomPalungPandin" program class 2 (June - November 2013), Chulalongkorn University, Thailand

- Enrollment in "Update accounting standards and financial reporting" course and "Accounting standards and financial reporting trend", Faculty of Commerce and Accountancy, Chulalongkorn University, Thailand

Years of Directorship 6 years

Work Experience for the past 5 years

- Honorable Auditor, Som Dej Pra Thep Ratna Raj Suda Foundation
- Treasurer, Wat Yannasangwararam Foundation
- Independent director and Chairperson of the Audit Committee, Delta Electronics (Thailand) Plc.
- Independent director and Member of the Audit Committee, Glow Energy Plc.
- Independent director and Member of the Audit Committee, Thai Poly Acrylic Plc. (2013-2014)
- Member of Etiquette Committee and member of Investigation Sub-committee, the Federation of Accounting Professions (2008-2010)

Dr. Chaiyawat Wibulswasdi

68 years of age

Director, a member of the Audit Committee, Chairman of the Corporate Social Responsibility and Sustainable Development Committee and a member of the Corporate Governance Committee

Education

- Ph.D. in Economics, Massachusetts Institute of Technology, USA
- Bachelor Degree in Economics, Williams College, USA
- Enrollment in Director Certification Program No. 77/2006, the Thai Institute of Directors Association

- Enrollment in Director Accreditation Program in Year 2004, the Thai Institute of Directors Association

Years of Directorship 5 years

Work Experience for the past 5 years

- Honorary Advisor, the Fiscal Policy Research Institute Foundation
- Director and a member of the Audit Committee, Siam Makro Plc.
- Chairman, the Corporate Social Responsibility Institute, The Stock Exchange of Thailand (2012-2013)
- Vice Chairman and Chairman of the Board of Executive Directors, Krung Thai Bank Plc. (2004-2010)

Professor Dr. Pongsak Angkasith

66 years of age

Director, a member of the Audit Committee and a member of the Corporate Social Responsibility and Sustainable Committee

Education

- 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, Thailand
- Enrollment in Director Certification Program in Year 2006, the Thai Institute of Directors Association
- 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

Years of Directorship 1.5 years

Work Experience for the past 5 years

- Advisor for Agriculture and Integrated Agricultural Extension, BoonRawd Brewery Co., Ltd.
- Executive Director and Head of Research and Extension of Coffee, Royal Project Foundation
- Advisor for Agriculture, Northern Agro Industry Co., Ltd.
- Chairman, the Agricultural Extension Association of Thailand (AEAT)
- Chairman, the Northern Thai Arabica Coffee Association
- President, Chiang Mai University (2004-2012)

Mr. Phongthep Chiaravanont

64 years of age

Director and Executive Director

Education

- Master Degree in Avian Sciences, University of California at Davis, USA
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 21 years

Family relations with other executives

- Cousin of Mr. Dhanin Chearavanont
- Brother-in-Law of Mr. Prasert Poongkumarn

Work Experience for the past 5 years

- Vice Chairman, Charoen Pokphand Group Co., Ltd.
- Chairman and Chief Executive Officer, Perfect Companion Group Co., Ltd.

Dr. Veeravat Kanchanadul

76 years of age

Director and Vice Chairman of the Corporate Governance Committee

Education

- Doctorate in Business Administration, University of Illinois, USA
- Master Degree in Business Administration, University of Hawaii, USA
- Master in Public Administration, Thammasat University, Thailand
- Bachelor Degree in Faculty of Commerce and Accountancy, Thammasat University, Thailand
- Enrollment in Role of the Chairman Program 7/2002, the Thai Institute of Directors Association
- Enrollment in Director Certification Program No.99/2008, the Thai Institute of Directors Association

Years of Directorship 21 years

Positions in the Company's subsidiaries

- Director, CPF Investment Ltd.

Work Experience for the past 5 years

- Advisor of the President, Association of Thai Listed Companies
- Senior Director, Thammasat University Council, Thailand
- Director, Program for Joint Doctorate in Business Administration (JDBA)
- Director, C.P. Land Plc.
- Director, Program for College of Graduate Study Management, Khon Kaen University, Thailand
- Senior Director, National Institute of Development Administration, Thailand (1998-2012)

Mr. Pong Visedpaitoon

69 years of age

Director, Executive Director and Chief Operating Officer - Aquatic Business

Education

- Honorary Doctorate in Fisheries, Maejo University, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 21 years

Position in the Company's subsidiaries

- Director, Asia Aquaculture (M) Sdn. Bhd.
- Director, Charoen Pokphand Foods (Malaysia) Sdn. Bhd.
- Director, Charoen Pokphand Foods Philippines Corporation
- Director, Star Feedmills (M) Sdn. Bhd.

Mr. Sunthorn Arunanondchai

72 years of age

Director

Education

- Master of Business Administration, University of Arkansas, USA
- Enrollment in Director Certification Program No.98/2008, the Thai Institute of Directors Association
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association
- Enrollment in Certificate of Leadership Program No.6, the Capital Market Academy

Years of Directorship 15 years

Position in the Company's subsidiaries

- Director, C.P. Enterprises Ltd.

Work Experience for the past 5 years

- Director and President, C.P. Land Plc.
- Director and Chairman, Ek-Chai Distribution System Co., Ltd.
- Director and Chairman of the Audit Committee, Bangkok Life Insurance Plc.
- Director, Bangkok Inter Teletech Plc.
- Director, TrueMove Co., Ltd.

Mrs. Arunee Watcharananan

66 years of age

Director and Executive Director

Education

- Bachelor degree in Economics, Thammasat University, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Years of Directorship 15 years

Family relations with other executives

- Younger sister of Mr. Adirek Sripratak

Position in the Company's subsidiaries

- Director, CPF (Thailand) Plc.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Investment Ltd.
- Executive Director, C.P. Pokphand Co., Ltd.

Work Experience for the past 5 years

- Deputy Group CFO, Charoen Pokphand Group Co., Ltd.

Mr. Teerasak Urunanon

65 years of age

Executive Director, Chief Operating Officer – Livestock Business

Education

- Honorary Master of Business Administration (MBA), Rajanagarindra Rajabhat University, Thailand
- Honorary Master's degree in Management, Rajanagarindra Rajabhat University, Thailand
- Professional Diploma, Thonburi Commercial College, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Positions in the Company's subsidiaries

- Director, CPF (Thailand) Plc.

Work Experience for the past 5 years

- Vice President, the Thai Broiler Processing Exporters Associations
- Advisory Board Member, Sukhothai Thammathirat Open University, Thailand

Mr. Virachai Ratanabanchuen

65 years of age

Chief Operating Officer - Domestic Trading

Education

- Bachelor degree in Business Administration, Thammasat University, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association
- Enrollment in Director Certification Program No. 194/2014, the Thai Institute of Directors Association

Positions in the Company's subsidiaries

- Director, CPF (Thailand) Plc.
- Director, CPF Trading Co., Ltd.
- Director, C.P. Laos Co., Ltd.

Mr. Pisit Ohmpornnuwat

60 years of age

Chief Operating Officer – Overseas Trading

Education

- Professional Diploma, Assumption Commercial College, Thailand
- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association
- Enrollment in Director Certification Program No. 194/2014, the Thai Institute of Directors Association
-

Positions in the Company's subsidiaries

- Director, CPF (Thailand) Plc.
- Director, C.P. Merchandising Co., Ltd.
- Director, C.P. Food Products, Inc.
- Director, CP Foods (UK) Ltd. and subsidiaries
- Director, CPF Denmark A/S
- Director, CPF Europe S.A.
- Director, CPF Food Trading Co., Ltd.
- Director, CPF Tokyo Co., Ltd.

Mr. Paisan Chirakitcharern

55 years of age

Executive Director and
Chief Financial Officer

Education

- Master of Business Administration, National Institute of Development Administration, Thailand
- Enrollment in Director Certification Program No. 98/2008, the Thai Institute of Directors Association

- Enrollment in Director Accreditation Program on 4 May 2005, the Thai Institute of Directors Association

Positions in the Company's subsidiaries

- Director, Bangkok Produce Merchandising Plc.
- Director, CPF (Thailand) Plc.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Trading Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Bright Excel Investments Ltd.
- Director, Charoen Pokphand (Taiwan) Investment Ltd.
- Director, Coinaton Investments Ltd.
- Director, CP Foods (UK) Ltd. and its subsidiaries
- Director, CPF Denmark A/S
- Director, CPF Europe S.A.
- Director, CPVN Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.

Changes in CPF Shareholdings¹ by Directors and Management²

Unit : Share

Name	Outstanding shares as of		Increase (Decrease) during 2014
	2013	2014	
1. Mr. Dhanin Chearavanont	-	-	-
2. Mr. Prasert Poongkumarn	1,335,983	1,335,983	-
3. Mr. Min Tianworn	-	-	-
4. Mr. Chingchai Lohawatanakul	6,728,931	11,028,931	4,300,000
5. Mr. Arsa Sarasin	-	-	-
6. Mr. Adirek Sripratak	3,844,778	3,844,778	-
7. Professor Dr. Athasit Vejjajiva	-	-	-
8. Emeritus Professor Supapun Ruttanaporn	20,000	20,000	-
9. Dr. Chaiyawat Wibulswasdi	-	-	-
10. Professor Dr. Pongsak Angkasith	30,000	30,000	-
11. Mr. Phongthep Chiaravanont	1,300,000	1,790,000	490,000
12. Dr. Veeravat Kanchanadul	14,060,070	11,060,070	(3,000,000)
13. Mr. Pong Visedpaitoon	-	-	-
14. Mr. Sunthorn Arunanondchai	14,948,299	14,948,299	-
15. Mrs. Arunee Watcharananan	8,108,928	8,108,928	-
16. Mr. Teerasak Urunanon	136,288	157,288	21,000
17. Mr. Virachai Ratanabanchuen	150,324	241,000	90,676
18. Mr. Pisit Ohmpornnuwat	121,667	2,000	(119,667)
19. Mr. Paisan Chirakitcharern	417	99,417	99,000

¹ Includes total securities held by the person under section 258 of the Securities and Exchange Commission

² 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

HUMAN RESOURCES MANAGEMENT



The Company is well aware that its “employees” are the most significant resources in driving the business to its goals and leading the organization towards sustainable growth. The Company has developed human resources management on the basis of equality and protection of human rights, while striving to provide opportunities for growth and creating a work environment to encourage employees’ participation, skill development and active learning through one’s career. The objectives are to enhance employees’ well-being and work-life balance in accord with the vision of “People Excel-Business Exceeds”.

From Vision to Human Resources Management

With the vision of “People Excel-Business Exceeds,” the Company focuses on all aspects of human resources management, starting with attracting talented people, developing employees, motivating them to work efficiently and retaining employees of all levels and positions by providing them with knowledge and expertise to jointly drive the business to the level of global competitiveness and sustainable growth.

The Company has set up succession plans to facilitate business expansion and replacement of vacant positions. A talent management program is simultaneously introduced to pave the way for talented employees to leadership positions.

The Company also develops local employees in countries where the businesses are operated by encouraging capable local employees to take management positions.

Human Resources Assurance

The Company is aware of the significance of human resources management and set up the Human Resources Assurance Unit to ensure that the Company’s human resources management process is in line with legal requirements, the Company’s policy and standards, and customer’ needs. It also ensures an uninterrupted human resources development, which is the path to universal standards and business growth.

Laws	To ensure that the human resources process is in line with the laws
Standards adhered by the Company	To ensure that the human resources process is in line with the United Nations Universal Declaration of Human Rights: UNDHR, the International Labor Organization (ILO) and standards adhered by the Company
Corporate human resources policy	To ensure that the human resources process is in line with corporate human resources policy
Needs of customers	To ensure that the human resources process is in line with the customers’ Code of Conduct

Building Strong Corporate Culture

The Company strives to build a work culture that encourages employees’ participation based on honesty, moral principles, business ethics and desire to contribute to society. This is done through the Company’s core value “CPF WAY” which includes, for example, an innovative program to encourage all employees to propose their ideas or innovations so that they grow with the Company.

The Company’s emphasis on Code of Conduct is done through corporate communication channels such as the CPF HR Web Portal. New employees are informed of the corporate core value and required to officially acknowledge the Code of Conduct.

The Company is determined to operate with fairness, honesty, transparency, and responsibility to society

and stakeholders in accord with corporate governance, employees' Code of Conduct and international practices. This is to build confidence among all quarters of stakeholders and to support corporate sustainable growth.

In 2013, the Company signed the Declaration of intent in view of establishing Thailand's collective action coalition against corruption by jointly coordination with government, private sectors and relevant regulators. In November 2014, the Board of Directors approved an anti-corruption policy which has become a framework for the Company's business operations and sustainable development. Additionally, the Human Resources department is responsible for regular communicating and encouraging the use of the anti-corruption policy, including related policies and guideline upon this policy to the Company's 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.

Human Rights Protection

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
- Appropriately compliment employees

- **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 emphasizes performance management by adopting the target-setting system which includes key performance indicator (KPI) as a tool for employees of all levels. A highly-performed employee who adheres to the Company's core values and ethics is rewarded significantly as a motivation for his or her satisfactory performance and an example to other employees who are encouraged to improve themselves.

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. The Company is determined to upgrade the training system to meet universal standards and provide professionalism development to employees in Thailand and abroad. The commitment is in line with the vision of "Kitchen of the World". The Company is tasked with strengthening its position as a market leader and competitiveness to ultimately become a corporation with strong leadership and professionalism.

- **Continual development of work skills and knowledge**

The Company's human resources development scheme covers leadership/managerial skills development, functional/technical skills development, computer training, language skills development, accounting courses (endorsed by the Federation of Accounting Profession) and work safety courses (endorsed by the Department of Labor Protection and Welfare, Ministry of Labor).

- **Development of leadership skills to support business growth**

The Company's commitment in leadership and professional development for employees of all levels is reflected in various programs, including the Leaders Develop Leaders (LDL), with over 6,500 employees participating since 2011. The Company also collaborated with the Thammasat Consulting, Networking and Coaching Center to develop training programs for its executives, including CPF Mini MBA: Professional Leader Series and Global Business Executive Development Program, in order to support the Company's international business expansion.

- **Preparing for a happy life after retirement**

One of the factors contributing to the Company's success as a market leader is loyal and dedicated workforce. Many employees have worked with the Company since the beginning of their career until retirement. As a reward for their dedication and to ensure a happy life after their retirement, the Company initiated the Aging Employee Management program, starting with the Food Processing Business Unit in 2009. The program has been implemented under the concept "D4D": D-Money, D-Healthy, D-Work and D-Life as pre-retirement preparation for employees.

Personnel

As at 31 December 2014, CPF had a total of 14,817 employees and workers who received remuneration in 2014 totaling THB 6,530 million, covering salary, wages and other benefits. This can be grouped according to the main business units, as follows:

Main Business Unit	Persons
1. Operations Unit	14,196
2. Central Unit	621
Total	14,817

As at 31 December 2014, CPF and its subsidiaries had a total of 107,562 employees and workers.

CORPORATE GOVERNANCE

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.

This Corporate Governance Policy has been amended twice. The first amendment was approved by the Board of Directors on 17 December 2008, and the second amendment on 8 November 2013. In the second amendment, the Policy was 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 follow.

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 2014 Annual General Meeting of Shareholders, the Company has publicized relevant documents and information on its website since 24 March 2014. Such documents and information were the same as those sent to shareholders by mail on 3 April 2014, 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 2014 Annual General Meeting of Shareholders was held on 25 April 2014, 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 2014 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 32 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 2014 Annual General Meeting of Shareholders to the Stock Exchange of Thailand on 9 May 2014, or within 14 days of the meeting date, and simultaneously posted them on the Company's website.

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.

In the 2014 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 in advance, from 27 September 2013, or more than three months before the end of the 2013 fiscal year. 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.

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.
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.

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.

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 to 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.

1. 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.
2. 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.

3. 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.
4. 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.

5. 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.
6. 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.
7. 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, based on the skills required by the Board. 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
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.

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

Details as shown in Duties and Responsibilities of the Board of Directors under "Management" Section.

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.
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 "Management" section. 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.

2. Nomination and Appointment of Directors and Top Executive

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 under "Management" Section.

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.

2.2 Nomination of Senior Management

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 management positions.

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.

4. Protection of the Use of Insider Information

Procedure to protect the use of insider information as shown in the Equitable Treatment of Shareholders under "Corporate Governance Policy".

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT



At the Board of Directors' meeting No.2/2015 held on 26 February 2015, including 4 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 2014 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.

REPORT OF THE AUDIT COMMITTEE



Appointed by Board of Directors of Charoen Pokphand Foods PCL., the Audit Committee comprises five independent persons i.e Mr. Arsa Sarasin as Chairman of the Audit Committee, Professor Dr. Athasit Vejjajiva, Emeritus Professor Supapun Ruttanaporn, Dr. Chaiyawat

Wibulswasdi, and Professor Dr. Pongsak Angkasith as members of the Audit Committee.

In 2014, the committee held ten meetings; which Mr. Arsa Sarasin, Professor Dr. Athasit Vejjajiva and Dr. Chaiyawat Wibulswasdi attended nine meetings and Emeritus Professor Supapun Ruttanaporn and Professor Dr. Pongsak Angkasith attended ten meetings.

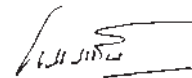
A summary of significant audit committee activities during 2014, according to the duties and responsibilities assigned by the Board of Directors, are as follows:

1. Reviewed the Company's financial statements and financial reports for 2013, and the first three quarters of 2014; which included an assessment of the compliance with the accounting principles used, the accounting policies adopted, as well as appropriate information disclosure in the financial statements proposed for the Board's consideration before submitting to the Stock Exchange of Thailand.
2. Reviewed the sufficiency and efficiency of the Company's internal control system as reported by the Head of Internal Audit Office, enabling the Company to operate efficiently and effectively while creating sustainable returns for stakeholders.
3. Reviewed the Company's risk management and risk prevention measures that occurred from internal and external factors.
4. Reviewed the independence of the charter of the Internal Audit Office, reviewed and approved the annual internal audit plan as well as re-examined its performance during the year.
5. Reviewed the Company's compliance with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business.
6. Reviewed the Company's relevant transactions during 2013, to ensure that they were reasonable and properly disclosed, and in accordance with the guidelines of the Capital Market Supervisory Board.
7. Reviewed the Company's policies and guidelines to ensure that they are aligned with the corporate governance policy and the guidelines of the Stock Exchange of Thailand as well as reviewed the whistleblower procedures.
8. Reviewed the Board of Directors' performances to ensure that they are aligned with the guidelines of the Stock Exchange of Thailand.

9. Assessed the external auditor's independence, performance and opinions, and nominated the external auditor along with fees charged, for the Board to propose at the shareholder's meeting.
10. Organized four meetings with the external auditors, in the absence of the management, so that the external auditors were able to independently report situations and information about the Company as well as fully express their opinions.
11. Reviewed the Audit Committee's charter in accordance with relevant guidelines and laws, as well as performed a self-assessment. The assessment indicates that the Audit Committee members had performed their duties in line with the best practice guidelines stipulated by the Securities and Exchange Commission.
12. Visited the Company's business domestically and internationally and had meetings with their executives to gain more understanding on their management and operational directions.

The Audit Committee has performed its duties independently under best knowledge and duty of care. The Audit Committee is of the opinion that the Company has established the appropriate risk management and the effective internal control system. Besides, the Audit Committee considers that the dedicated performance of senior management as well as all other employees within a framework of good corporate governance will enable the Company to achieve satisfactory and sustainable growth; which, in turn, will yield reasonable and sustainable returns to stakeholders.

On behalf of the Audit Committee



(Mr. Arsa Sarasin)

Chairman of the Audit Committee

26 February 2015

RELATED TRANSACTIONS

Measures to Govern Related Transactions

The related transactions entered by the Company and its subsidiaries 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 processes of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E. (No.4) 2008.

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.

During 2014, the Company entered into transactions with related persons, which the Audit Committee considered to be reasonable related transactions, with most of them were in normal course of business, or supporting transactions related to the normal course of business and conducted on 'arm's length' basis.

Related transactions can be summarized as follows:

1. Related transactions which are ordinary course of business or supporting transactions

Accounts Receivable

As of 31 December 2014, the Company had accounts receivable, arising from transactions with associated, jointly-controlled entities and related companies amounting to THB 6,193 million, or 25% of total accounts receivable. (2014: THB 6,131 million)

Accounts Payable

As of 31 December 2014, the Company had accounts payable, arising from transactions with associated, jointly-controlled entities and related companies, amounting to THB 5,181 million, or 20% of total accounts payable. (2014: THB 2,071 million)

Sales

In 2014, the Company sold products to associated, jointly-controlled entities and related companies that were based on the ordinary course of business price list. The value of these transactions was THB 30,831 million, or 7% of total sales. (2013: THB 27,279 million)

Purchase of Raw Materials

In 2014, the Company purchased raw materials from associated, jointly-controlled entities and related companies that were also based on the ordinary course of business price list. The value of these transactions was THB 51,065 million, or 14% of total cost of goods sold. (2013: THB 36,704 million)

Other Income

In 2014, the Company received other income from dividends, interest, as well as training and seminar fees, system service fees, rental and service fees, and others from associated and related companies, that amounted to THB 494 million, or 0.1% of total revenues. (2013: THB 374 million)

Rental and Services Fees

The Company has lease agreements covering office premises, including facilities, land, livestock farms, and vehicles with certain related companies, for periods of one to ten years, which will expire in the period between 2014 and 2020. The rental and services fees obligation of the Company, as of 31 December 2014, amounted to THB 2,665 million. (2013: THB 2,318 million).

The Company rented assets from associated, jointly-controlled entities and related companies according to the rates set by their owners. In 2014, the value of these transactions was THB 1,192 million, or 3% of total selling and administrative expenses. (2013: THB 1,316 million)

Technical Service Fees

The Company has technical service agreements with the major shareholder, Charoen Pokphand Group Company Limited (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 subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity and is dependent upon the types of feed, as stipulated in the agreements, to CPG. The minimum service fee ranges from THB 0.1 million to THB 1.3 million per month.

In addition, certain foreign subsidiaries had agreements to obtain 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 2014, the Company paid CPG for technical services according to the agreements amounting to THB 1,526 million, or 0.4% of total cost of goods sold. (2013: THB 1,215 million)

Insurance Premium

The Company pays the insurance premiums to Allianz C.P. Insurance Public Company Limited (AZCP) which is a related company. The insurance premium rates were paid according to the standards set by the insurers. In 2014,

the Company paid insurance premiums to AZCP which amounted to THB 262 million, or 0.6% of total selling and administration expenses. (2014: THB 306 million)



Other Expenses

In 2014, the Company paid software application service fees and other fees, to related companies which amounted to THB 1,223 million. (2014: THB 842 million)

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 2014, the payments in respect of these agreements amounted to a total of THB 2,456 million. (2013: THB 1,705 million)

A subsidiary entered into an agreement with a related company (Star Marketing Co., Ltd. (STAR)) for the right to use all current trademarks of STAR. In this regard, the subsidiary is committed to pay the trademark license fee to STAR, which is calculated according to the value of sales under the trademark, at the rates that were stipulated in the agreement. The fees for 2014 amounted to THB 36 million. (2013: THB 31 million)

The Company entered into agreements with the major shareholder, CPG, for the right to use the  and  trademark. In this regard, the Company has to pay the trademark license fee to CPG at rates of between 0.2% and 0.4% of the sale value of each product, as stipulated in the agreements. The fees for 2014 came to a total of THB 87 million. (2013: THB 78 million)

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:

The first quarter of 2014

CPF disposed the entire investment in ordinary shares of IP Thailand Co., Ltd. (IP), an investment holding company, or 99.99% of total issued shares to Charoen Pokphand Group Co., Ltd. (CPG) for the total consideration of Baht 51 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. In addition, the basis used to determine total consideration of this transaction which referred to the net assets value adjusted according to the value appraised by independent appraiser is appropriate. The transaction was completed on 4 March 2014.

Chia Tai (China) Investment Co., Ltd. (CTCI)¹ acquired the entire investment in Hefei Chia Tai Co., Ltd. (HCT), engaging in production and sale of animal feed in China, from Chia Tai (China) Agro-Industrial Company Limited (CTA) at the total consideration of RMB 220 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 since it will allow the company to increase its feed production capacity in the PRC and further reinforce the Group's leading position in the feed industry. The Board of Directors' Meeting of CPF opined that the basis used to determine total consideration of this transaction by using the Price to Earnings multiple was appropriate. The transaction was completed on 13 March 2014.

The second quarter of 2014

CTCI acquired the entire investment in Kaifeng Chia Tai Co., Ltd. (Kaifeng), engaging in production and sale of animal feed in China, from CTA at the total consideration of RMB 311 million. The independent financial advisor opined that this transaction was reasonable and beneficial to the Company and shareholders as Kaifeng is engaging in production and sale of animal feed in Henan province, China. Therefore, the acquisition of Kaifeng has been complied with the Company's policy and strategic plan to increase the production capacity of animal feeds in China. In addition, this will expand customer base and distribution channels in Henan, the high growth potential markets. Furthermore, the agreed price, which referred to the Price to Earnings multiple, was appropriate and lower than the fair price

range calculated by the independent financial advisor. This transaction was approved by the Extraordinary General Shareholders' Meeting No.1/2014 convened on July 10, 2014 and was completed on 5 August 2014.

CPP disposed the entire investment in Rapid Thrive Limited (Rapid Thrive) (comprises all shares held in Rapid Thrive and shareholder's loan to Rapid Thrive), an investment holding company, to CT Bright Holdings Limited (CT Bright) at the total consideration of USD 49.5 million. The independent financial advisor opined that this transaction was reasonable and beneficial to the Company and shareholders as it was in accordance with the policy of the Company aiming to invest in the core business and relating businesses. The proceeds from the disposal will be used for investment in agro-industrial business which is the core business of the Company. The Disposal of the entire investment in Rapid Thrive will enable the Company and CPP to devote resources to their core businesses. Furthermore, the agreed price, determined by using several valuation approaches, was appropriate and in the fair price range calculated by the independent financial advisor. This transaction was approved by the Extraordinary General Shareholders' Meeting No.1/2014 convened on 10 July 2014 and was completed on 15 July 2014.

The Board of Directors' Meeting convened on 16 July 2014 approved CPF (Thailand) Plc. (CPFTH)² to sell its land located at Na Jomtien sub-district, Sattahip district, Chonburi province to CPMQ and Greenland Company Limited (CPMQ&G) or its subsidiaries at the total consideration of THB 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.

¹ 100% indirect Subsidiary of C.P. Pokphand Co., Ltd. (CPP)

² Direct Subsidiary of CPF with 99.98% stake

CORPORATE SOCIAL RESPONSIBILITY



One of the Company's strategies for sustainable business practice is Corporate Social Responsibility (CSR), which has been executed under the guideline of 3 major pillars: food security, self-sufficiency society and balance of nature. The Company adheres to the principles of good corporate governance, fairness in human resources development, and human rights protection. The goals are to generate satisfactory returns to shareholders, hygienic products for consumers, stability and well-being of employees, business partners and communities while conserving natural resources and environment – the fundamental of economic and social development.

Food Security

As a leader in integrated agricultural and food business, CPF is aware of its role and responsibility in creating food security to provide consumers with quality food products that are sufficient, safe and nutritious through research, innovations and human resources development.

- **Enhancing food quality and safety throughout the chain**

The Company focuses on the quality and safety of food throughout production processes starting from raw materials selection, research and development, production of animal feed, farming, food processing, packaging and delivery to consumers. The Company emphasizes research and development activities to add value, while strictly adhering to regulations, internationally-recognized standards and quality assurance system including the communication of product's ingredients and nutrition facts through product labels.

- **Improving food access**

To enhance access to safe and quality food, the Company provides over 100 categories of products at extra discount to more than 2 million people in 17 provinces via the "Caravan sales" campaign in conjunction with "Raising Layer for Student's Lunch" project since 1989. Up until 2014, more than 460 schools have signed up and participated in the project, supporting over 140,000 students across Thailand.

Self Sufficient Society

CPF collaborates with business partners in enhancing quality of life in various communities, both in surrounding communities and remote areas, with the goal of self-sufficiency among community members.

- **Promoting win-win partnership**

Stressing the significance of promoting sustainable supply chain, the Company provides consultations, academic service, knowledge, technology and training based on international standards of production and food safety to business partners in animal feed, farming and food.

In 2014, the Company continues to work on sustainable sourcing of fishmeal project through the CPF Fish Fight Ten Point Plan focusing on the environmental aspects of inappropriate fishing. The Company also put forward a Fishery Improvement Project (FIP) for the Gulf of Thailand and the Andaman Sea in collaboration with government agencies, SPF and WWF through the Thai Sustainable Fisheries Roundtable (TSFR).

After achieving the CPF Fish Fight Ten Point Plan, the Company will begin "the 5R Improvement Plan" in 2015 to enhance sustainable shrimp production throughout the chain. Currently, the Company owns and operates the world only International Fishmeal and Fish Oil Organization's Responsible Supply Chain of Custody certified shrimp feed mill (IFFO RS CoC), from tuna by-product.

The sustainable sourcing policy and supplier guiding principles were developed, based on environmental, social and governance (ESG) factors. The policy and principles cover 4 major categories on sustainable operations:

1. Product and Service: Emphasis on quality and food safety
 2. People: Fair labor practices and human rights
 3. Process: Awareness on environmental management and efficient use of resources
 4. Performance: Good corporate governance
- The Company plans to communicate the policy and principles to the business partners and conduct pre-assessment in 2015.



- **Supporting quality of life in communities**

The Company promotes economic and social development in communities surrounding its facilities by encouraging community members to jointly initiate activities and improve their respective areas for well-being.

More than 300 projects were implemented in 2014, pertaining to the development of members' careers, income, education, tradition, culture, sports, health and public utilities. Development was also made through projects for the Nongwha agricultural village, Kamphangphet agricultural village and Santirat agricultural village. The Company collaborates with

the Rural Lives Development Foundation, under the sponsorship of the CP Group, to develop the career and boost the income of more than 5,000 farmers and their families. The career development projects generated an annual economic value of more than 1,930 million baht.

Balance of Nature

CPF takes a variety of mitigation and adaptation approaches to ensure environmental sustainability and that the Company's business is going to be least affected in the near and far future.

- **Promoting resource efficiency**

Our effort in promoting resource efficiency to reduce environmental footprints is exhibited through 2 key approaches: process improvement and sustainable product development. We operate responsibly in ways that minimize environmental impacts through integrated management of energy, water, waste and air in which the 4Rs principle (Reduce, Reuse, Recycle and Replenish) is applied.

- **Conservation of biodiversity**

Fully aware of nature and biodiversity conservation in parallel with business operations, the Company takes many approaches to safeguard environmental resources. For example, location of facilities must not overlap with conservation areas and all environmental law and regulation and standards must be complied. Assessments on environmental impacts from the Company's operations are regularly conducted to ensure that the ecological system and natural resources are not affected. The Company encourages employees and communities to become part of volunteer network in conserving and restoring green areas and forest stock within and nearby the Company's boundaries as well as the Nation's strategic areas.



Launching the “Rak Nives or Ecological Conservation Project” in 2014, the Company cooperated with the Faculty of Environment, Kasetsart University, in operating 4 pilot projects: animal feed factory, swine farm, chicken farm and food processing factory. The Company’s commitment on mangrove conservation and reforestation was pursued in the 5-year mangrove strategic plan (2014-2018) through the inception of “Grow-Share-Protect” mangrove forestation project. The Project was initiated to preserve and restore 2,000 rai of mangrove in 5 key strategic areas Chumphon, Rayong, Samut Sakhon, Surat Thani and Phang-nga.

Remarks: Results of the Company's CSR to Sustainability activities for 2014 are exhibited in the 2014 Sustainability Report.

SHAREHOLDERS



Shareholders Structure

(as of the latest closing date of shareholder register book at 29 August 2014)

	Type	% Holding
1.	Thai Individuals	19.37%
2.	Foreign Individuals	0.03%
3.	Thai Juristic Persons	56.11%
4.	Foreign Juristic Persons	24.49%
	Total	100.00%

Foreign Holding Limit

CPF shares may be transferred without any restriction, unless such transfer of shares would cause the foreign shareholders to hold shares in CPF in excess of 40% of the total number of the CPF's issued shares.

The aliens may acquire ordinary shares of CPF in excess of the restricted ratio prescribed in preceding paragraph by means of exercising their rights of convertible debenture holders or warrant holders or subscription of newly issued ordinary shares (including dividend shares or ordinary shares issued to the holders of ordinary shares who have acquired the shares under conditions in this paragraph); issued and offered for sale by CPF; provided that the holding of new ordinary shares in such case, when added to the ordinary shares held by aliens according to previous paragraph, shall not cause the total number of ordinary

shares held by aliens exceed 49% of the total numbers of ordinary shares then issued by CPF. This 49% restriction on shareholding by the aliens shall apply to the case of transfer of ordinary shares from the aliens who have acquired the new ordinary shares by means exercising of their conversion rights or subscription of capital increase shares issued and offered for sale by CPF under conditions in this paragraph (including dividend shares or new ordinary shares issued to the holders of ordinary shares who have acquired shares under conditions in this paragraph) to the aliens in every stage of transfer until such shares are transferred to the non-aliens.

As of 29 August 2014, there were 24.52% of CPF's issued shares held by foreign investors.

Top ten major shareholders

(as of the latest closing date of shareholder register book at 29 August 2014)

	Names	No. of Shares	% Shareholding
1	CPG Group ⁽¹⁾ comprises:	3,384,866,001	43.72%
1.1	CPG ⁽²⁾	1,935,815,835	25.00%
1.2	Charoen Pokphand Holding Co., Ltd. ⁽³⁾	889,229,566	11.48%
1.3	Orient Success International Ltd. ⁽⁴⁾	205,000,000	2.65%
1.4	CPF (Thailand) Plc. ⁽⁵⁾	207,935,600	2.69%
1.5	Bangkok Produce Merchandising Plc. ⁽⁶⁾	82,885,000	1.07%
1.6	Plenty Type Ltd. ⁽⁷⁾	64,000,000	0.83%
2	Thai NVDR Co., Ltd. ⁽⁸⁾	562,517,091	7.26%
3	UBS AG LONDON BRANCH ⁽⁹⁾	182,933,267	2.36%
4	Social Security Office (2 cases) ⁽¹⁰⁾	133,887,900	1.73%
5	STATE TREET BANK EUROPE LIMITED ⁽⁹⁾	132,580,839	1.71%
6	BNY MELLON NOMINEES LIMITED ⁽¹¹⁾	121,746,159	1.57%
7	HSBC (SINGAPORE) NOMINEES PTE LTD. ⁽¹¹⁾	96,574,848	1.25%
8	Ms. Walaiporn Jiraphummin	91,000,000	1.18%
9	CHASE NOMINEES LIMITED 1 ⁽⁹⁾	87,764,710	1.13%
10	THE BANK OF NEW YORK (NOMINEES) LIMITED ⁽¹¹⁾	86,158,115	1.11%

Note

⁽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, with Chearavanont family as major shareholders. 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%, Mr. Phongthep Chiaravanont 3.65% and Mrs. Yupa Chiaravanond, Mr. Prathip Chiravanond, Mrs. Phataneek Lekrisompong, Mr. Vajarachai Chiaravanond, Mr. Manu Chiaravanond and Mr. Manas Chiaravanond 3.62% each.

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

⁽⁴⁾ CPG's direct 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 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

⁽¹⁰⁾ 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

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

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

DIVIDEND POLICY



CPF has a policy to pay dividends to shareholders twice a year. The first dividend payment is paid as an interim dividend, with the second dividend payment being paid as an annual dividend. 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 on 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 their future investment plans, their financial structure and liquidity. In the fiscal year ended 31 December 2014, CPF's dividend income from subsidiaries totaled THB 13,990 million, of which THB 553 million was from subsidiary that are listed on foreign stock exchange and THB 12,837 million was from subsidiaries that are non-listed company.

COMPANY FACTS



As of 31 December 2014

Head Office	313 C.P. Tower Building Silom Road, Bangrak, Bangkok 10500, Thailand		
Telephone Number	(662) 625-8000		
Facsimile Number	(662) 638-2139		
Web Address	http://www.cpfworldwide.com		
Business Category	Agro-industrial and Food in Thailand and Overseas		
Legal Status	Public limited company registered in Thailand		
Registration Number	0107537000246		
Registered Capital	THB 7,742.94 million		
Number of Paid-up Shares	7,742.94 million shares (all in ordinary shares)		
Par Value	THB 1.00 per share		
Subsidiaries	219 companies (Brief information is shown under “General Information of the Company’s Investment” section)		
Trading Symbol on the SET	CPF for ordinary shares		
Trading Symbol on the Thai Bond Market Association (TBMA)	CPF15NA	for debentures	No. 1/2009 Series 3
	CPF155A	for debentures	No. 2/2009
	CPF155B	for debentures	No. 1/2010
	CPF17NA	for debentures	No. 2/2010 Series 2
	CPF188A	for debentures	No. 1/2011 Series 1
	CPF218A	for debentures	No. 1/2011 Series 2
	CPF418A	for debentures	No. 1/2011 Series 3
	CPF41DA	for debentures	No. 2/2011
	CPF163A	for debentures	No. 1/2012
	CPF198A	for debentures	No. 2/2012 Series 1
	CPF228A	for debentures	No. 2/2012 Series 2
	CPF328A	for debentures	No. 2/2012 Series 3
	CPF185A	for debentures	No. 1/2013
	CPF178A	for debentures	No. 2/2013 Series 1
	CPF198B	for debentures	No. 2/2013 Series 2
	CPF218B	for debentures	No. 2/2013 Series 3

(Detailed summary of debentures is shown at www.cpfworldwide.com under Investor Relations section. Outstanding value of debentures as of 31 December 2014 is shown under “Management’s Discussion and Analysis” section)

GENERAL INFORMATION OF THE COMPANY'S INVESTMENTS

Subsidiaries

As of 31 December 2014, there were 219 subsidiaries in which CPF directly or indirectly holds more than 50% of their paid-up capital and companies that CPF has control, categorized by business type as follows:

Subsidiaries of and related to Thailand operations

Livestock Business

Direct Subsidiaries

1. Bangkok Produce Merchandising Public Company Limited

Type of Business	Animal feed raw material distribution
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2631-0989
Registered Capital	THB 600,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Ownership Interest	99.44%

2. Chester's Food Company Limited

Type of Business	Restaurant
Head Office	Bangkok, Thailand
Telephone Number	0-2641-1333
Facsimile Number	0-2641-0333
Registered Capital	THB 80,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Ownership Interest	99.99%

3. CPF (Thailand) Public Company Limited

Type of Business	Agro-industrial and integrated food
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2139
Registered Capital	THB 7,008,250,000 (all in ordinary shares)
Par Value	THB 1.00 per share
Ownership Interest	99.98%

4. C.P. Merchandising Company Limited

Type of Business	Investment and international trading
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2749
Registered Capital	THB 9,000,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Ownership Interest	99.99%

Indirect Subsidiaries

1. CPF Trading Company Limited

Type of Business	Wholesale and retail food products
Head Office	Bangkok, Thailand
Telephone Number	0-2693-0583
Facsimile Number	0-2693-0584
Registered Capital	THB 800,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Ownership Interest	99.97%

2. CPF Premium Foods Company Limited'

Type of Business	Food processing plant
Head Office	Chachoengsao, Thailand
Telephone Number	0-3859-3046
Facsimile Number	0-3859-3587
Registered Capital	THB 700,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Ownership Interest	99.99%

3. CPF Denmark A/S

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	Denmark
Telephone Number	45-7526-1330
Facsimile Number	45-7526-1336
Registered Capital	EUR 500,000 (all in ordinary shares)
Par Value	EUR 1.00 per share
Ownership Interest	52.00%

4. CPF Europe S.A.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	Belgium
Telephone Number	32-2357-5380
Facsimile Number	32-2357-5398
Registered Capital	EUR 28,000,000 (all in ordinary shares)
Par Value	EUR 1.00 per share
Ownership Interest	99.99%

4.1 Tops Foods NV

Type of Business	Production and distribution of ready-to-eat foods
Head Office	Belgium
Telephone Number	32-1428-5560
Facsimile Number	32-1428-5580
Registered Capital	EUR 3,140,000 (all in ordinary shares)
Par Value	EUR 311.182 per share
Ownership Interest	80.02%

5. CPF Food Trading Company Limited

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	China
Telephone Number	86-21-5835-8683
Facsimile Number	86-21-5835-5655
Registered Capital	USD 4,000,000
Ownership Interest	100.00%

6. CPF Tokyo Company Limited

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	Japan
Telephone Number	813-5401-2231
Facsimile Number	813-5401-2236
Registered Capital	JPY 200,000,000 (all in ordinary shares)
Par Value	JPY 1,000 per share
Ownership Interest	99.99%

7. CP Foods (UK) Limited

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Telephone Number	44-1299-253131
Facsimile Number	44-1299-253232
Registered Capital	GBP 300,000 (all in ordinary shares)
Par Value	GBP 1.00 per share
Ownership Interest	52.00%

7.1-7.60 CP Foods (UK) Limited's Subsidiaries³

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Registered Capital	GBP 1.00
Ownership Interest	52.00%

Aquatic Business

Direct Subsidiaries

1. Seafoods Enterprise Company Limited¹

Type of Business	Dormant
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2631-0776
Registered Capital	THB 20,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Ownership Interest	99.99%

Indirect Subsidiaries

1. C.P. Food Products, Inc.

Type of Business	Importer and distributor of seafood products
Head Office	United States of America
Telephone Number	1-410-505-5017
Facsimile Number	1-410-381-6868
Registered Capital	USD 5,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Ownership Interest	100.00%

Other Businesses

Direct Subsidiaries

1. CPF Training Center Company Limited

Type of Business Training center service provider
Head Office Bangkok, Thailand
Telephone Number 0-2625-8000
Facsimile Number 0-2638-2139
Registered Capital THB 20,000,000
(all in ordinary shares)
Par Value THB 10.00 per share
Ownership Interest 99.99%

2. CPF IT Center Company Limited

Type of Business Information technology service
provider
Head Office Bangkok, Thailand
Telephone Number 0-2625-8000
Facsimile Number 0-2638-2139
Registered Capital THB 250,000,000
(all in ordinary shares)
Par Value THB 10.00 per share
Ownership Interest 99.99%

Subsidiaries of International Operations

Direct subsidiaries

1. Charoen Pokphand Foods Kenya Company Limited

Type of Business Animal feedmill and livestock farming
Head Office Kenya
Registered Capital Ksh 400,000,000
(all in ordinary shares)
Par Value Ksh 100.00 per share
Ownership Interest 99.99%

2. CPF Investment Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 1,200,000,000
(all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.1 Bright Excel Investments Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 50,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.2 Charoen Pokphand (Taiwan) Investment Limited

Type of Business Investment
Head Office Bermuda
Registered Capital USD 12,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.3 Coinaton Investments Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 50,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.3.1 Chun Ta Investment Company Limited

Type of Business Investment
Head Office Taiwan
Telephone Number 886-2-25077071
Facsimile Number 886-2-25073438
Registered Capital NTD 50,000,000
(all in ordinary shares)
Par Value NTD 10.00 per share
Ownership Interest 100.00%

2.4 CPVN Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 1,000,000
(all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.5 Forward Pass Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 50,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 100.00%

2.5.1 Ta Chung Investment Company Limited

Type of Business	Investment
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25073438
Registered Capital	NTD 100,000,000 (all in ordinary shares)
Par Value	NTD 10.00 per share
Ownership Interest	100.00%

2.6 New Splendid Holdings Limited

Type of Business	Investment
Head Office	British Virgin Islands
Registered Capital	USD 50,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Ownership Interest	100.00%

3. C.P. Aquaculture (Beihai) Company Limited

Type of Business	Aquatic feed production and distribution and aquaculture farming
Head Office	China
Telephone Number	86-779-208-4362
Facsimile Number	86-779-209-6161
Registered Capital	USD 17,500,000
Ownership Interest	100.00%

4. C.P. Aquaculture (Dongfang) Company Limited

Type of Business	Shrimp hatchery business
Head Office	China
Telephone Number	86-898-3696-3928
Facsimile Number	86-898-3696-5688
Registered Capital	RMB 100,000,000
Ownership Interest	100.00%

5. C.P. Aquaculture (Hainan) Company Limited

Type of Business	Aquaculture farming
Head Office	China
Telephone Number	86-898-3696-3928
Facsimile Number	86-898-3696-5688
Registered Capital	USD 3,000,000
Ownership Interest	100.00%

6. C.P. Foods Holdings Limited

Type of Business	Investment
Head Office	British Virgin Islands
Registered Capital	USD 1,000,000
Par Value	USD 1.00 per share
Ownership Interest	100.00%

7. C.P. Foods International Limited

Type of Business	Investment
Head Office	British Virgin Islands
Registered Capital	USD 1,000,000
Par Value	USD 1.00 per share
Ownership Interest	100.00%

Direct and Indirect Subsidiaries

1. Charoen Pokphand Foods Philippines Corporation

Type of Business	Animal feed production and distribution and shrimp hatchery business
Head Office	Philippines
Telephone Number	63-45-961-4892
Facsimile Number	63-45-961-4441
Registered Capital	PHP 4,000,000,000 (all in ordinary shares)
Par Value	PHP 10.00 per share
Ownership Interest	99.99%

1.1. A.P.P. Enterprise, Inc.²

Type of Business	Property lease-out
Head Office	Philippines
Telephone Number	63-34-432-0994
Facsimile Number	63-34-432-0969
Registered Capital	PHP 5,000 (all in ordinary shares)
Par Value	PHP 10.00 per share
Ownership Interest	39.60%

2. Charoen Pokphand Foods (Overseas) LLC.

Type of Business	Animal feedmill and livestock farming
Head Office	Russia
Telephone Number	7-496-634-1963
Facsimile Number	7-496-636-1924
Registered Capital	RB 879,049,420
Ownership Interest	99.99%

2.1 CPF Agro LLC.

Type of Business Livestock farming
Head Office Russia
Telephone Number 7-496-634-1963
Facsimile Number 7-496-636-1924
Registered Capital RB 1,153,061,000
Ownership Interest 99.99%

2.2 CPF Foods LLC.

Type of Business Livestock farming
Head Office Russia
Telephone Number 7-496-634-1963
Facsimile Number 7-496-636-1924
Registered Capital RB 10,000
Ownership Interest 99.99%

2.3 CPF Trading LLC.

Type of Business Importer and distributor of meat products
Head Office Russia
Telephone Number 7-496-634-1963
Facsimile Number 7-496-636-1924
Registered Capital RB 10,000
Ownership Interest 60.00%

3. C.P. Standart Gida Sanayi ve Ticaret A.S.

Type of Business Agro-Industrial and integrated food
Head Office Turkey
Telephone Number 212-274-8536
Facsimile Number 212-267-2112
Registered Capital TL 350,000,000
(all in ordinary shares)
Par Value TL 1.00 per share
Ownership Interest 99.99%

4. C.P. Pokphand Company Limited

Type of Business Investment
Head Office Bermuda
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 600,000,000
Par Value USD 0.01 per share
Ownership Interest 50.43%

4.1 C.P. Aquaculture (Yangjiang) Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 10,000,000
Ownership Interest 50.43%

4.2 C.P. Enterprises Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 28,000,000
(all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 50.43%

4.3 C.P. Food Enterprises (Ningbo) Company Limited

Type of Business Food processing plant, production and distribution of processed meat and ready meal
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 60,000,000
Ownership Interest 50.43%

4.4 C.P. Food (Nantong) Company Limited

Type of Business Food processing plant, production and distribution of processed meat and ready meal
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 10,730,000
Ownership Interest 50.43%

4.5 C.P. Food (Xiangyang) Company Limited

Type of Business Food processing plant
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 380,000,000
Ownership Interest 50.43%

4.6 C.P. Food (Zhanjiang) Company Limited

Type of Business Manufacture and sale of value added processed food
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 75,500,000
Ownership Interest 50.43%

4.7 C.P. Standard Resources Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 5,000,000
(all in ordinary shares)
Ownership Interest 50.43%

4.8 C.P. Vietnam Corporation

Type of Business Animal feed production and distribution and farming and food processing plant
Head Office Vietnam
Telephone Number 8461-383-6251-9
Facsimile Number 8461-393-1468
Registered Capital VND 1,741,792,000,000
(all in ordinary shares)
Par Value VND 10,000.00 per share
Ownership Interest 64.89%

4.9 C.T. Progressive (H.K.) Limited

Type of Business Investment
Head Office Bermuda
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 1,000,000
(all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 50.43%

4.10 Changsha Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 134,000,000
Ownership Interest 50.43%

4.11 Charoen Pokphand (China) Investment Limited

Type of Business Investment
Head Office British Virgin Islands
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 56,000,000
(all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 50.43%

4.12 Chengdu Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 6,300,000
Ownership Interest 35.30%

4.13 Chia Tai (China) Investment Company Limited

Type of Business Investment and trading
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 196,695,333
Ownership Interest 50.43%

4.14 Chia Tai Enterprises International Limited (Formerly known as Ek Chor China Motorcycle Company Limited)

Type of Business Investment
Head Office Bermuda
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 1,942,600 (all in ordinary shares)
Par Value USD 0.10 per share
Ownership Interest 50.43%

4.15 Chia Tai Feed (Qianjiang) Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 32,000,000
Ownership Interest 50.43%

4.16 Chia Tai Feed (Yushu) Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 36,000,000
Ownership Interest 50.43%

4.17 Chia Tai Feed (Zhanjiang) Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 31,110,000
Ownership Interest 50.43%

4.18 Chia Tai Food Enterprise (Qingdao) Company Limited

Type of Business Food processing plant, production and distribution of processed meat and ready meal
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 85,700,000
Ownership Interest 50.43%

4.19 Chia Tai Food Enterprise (Qinhuangdao) Company Limited

Type of Business Food processing plant, production and distribution of processed meat and ready meal
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 117,460,000
Ownership Interest 50.43%

4.20 Chia Tai Huazhong Biochemistry Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 10,000 (all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 50.43%

4.21 Chia Tai Pucheng Biochemistry Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 100,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 50.43%

4.22 Chia Tai Yongji Enterprise Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 7,062,018
Ownership Interest 50.43%

4.23 Chia Tai Yueyang Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 9,550,000
Ownership Interest 50.43%

4.24 Chongqing Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 5,920,000
Ownership Interest 30.26%

4.25 Chongqing Shuangqiao Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 4,520,000
Ownership Interest 35.30%

4.26 Chuzhou Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 7,648,500
Ownership Interest 50.43%

4.27 CP China Investment Limited

Type of Business Investment
Head Office Cayman Islands
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 129,750,000
(all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 50.43%

4.28 CP Food Investment Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 1
Ownership Interest 50.43%

4.29 Dali Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 37,000,000
Ownership Interest 50.43%

4.30 ECI Machinery Company Limited

Type of Business Investment
Head Office British Virgin Islands
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 50,000 (all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 50.43%

4.31 Fuzhou Da Fu Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 9,139,297
Ownership Interest 50.43%

4.32 Gansu Chia Tai Agriculture Financing Guarantee Company Limited

Type of Business Providing financial guarantee services
Head Office China
Telephone Number 93-1575-0941
Facsimile Number 93-1575-0997
Registered Capital RMB 100,000,000
Ownership Interest 50.43%

4.33 Ganzhou Chia Tai Industrial Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 18,000,000
Ownership Interest 40.34%

4.34 Golden Industrial Investment Limited

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 10,000 (all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 50.43%

4.35 Guang An Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 24,500,000
Ownership Interest 30.26%

4.36 Guang Han Chia Tai Feed Tech Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 818,250.95
Ownership Interest 45.89%

4.37 Guangxi Chia Tai Financing Guarantee Company Limited

Type of Business Providing financial guarantee services
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 100,000,000
Ownership Interest 50.43%

4.38 Guilin Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 3,720,000
Ownership Interest 42.86%

4.39 Guiyang Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 33,000,000
Ownership Interest 50.43%

4.40 Hangzhou Advance Feed Tech Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 6,700,000
Ownership Interest 50.43%

4.41 Hannick Limited

Type of Business Property investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital HKD 1,000 (all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 50.43%

4.42 Hebei Chia Tai Agriculture Financing Guarantee Company Limited

Type of Business Providing financial guarantee services
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 100,000,000
Ownership Interest 50.43%

4.43 Hefei Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 125,000,000
Ownership Interest 50.43%

4.44 Henan Chia Tai Agro-Industrial Financing Guarantee Company Limited

Type of Business Providing financial guarantee services
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 100,000,000
Ownership Interest 50.43%

4.45 Huai Hua Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 3,900,000
Ownership Interest 50.43%

4.46 Huludao Chia Tai Husbandry Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 28,100,000
Ownership Interest 50.43%

4.47 Inner Mongolia Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 8,190,700
Ownership Interest 45.58%

4.48 Jiangsu Chia Tai Agro-Industrial Financing Guarantee Company Limited

Type of Business Providing financial guarantee services
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 100,000,000
Ownership Interest 50.43%

4.49 Jiangsu Huai Yin Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 3,621,000
Ownership Interest 44.38%

4.50 Jilin Chia Tai Food Company Limited

Type of Business Food processing plant, production and distribution of processed meat and ready meal
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 240,000,000
Ownership Interest 50.43%

4.51 Jinan Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 1,718,000
Ownership Interest 32.78%

4.52 Jiujiang Chia Tai Feedstuff Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 34,000,000
Ownership Interest 30.26%

4.53 Kaifeng Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 10,000,000
Ownership Interest 50.43%

4.54 Kunming Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 6,405,300
Ownership Interest 46.59%

4.55 Lanzhou Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 8,779,000
Ownership Interest 45.70%

4.56 Liuzhou Advance Feed Tech Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 6,700,000
Ownership Interest 50.43%

4.57 Mianyang Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 4,000,000
Ownership Interest 40.34%

4.58 Modern State Investments Limited

Type of Business Investment
Head Office British Virgin Islands
Registered Capital USD 120,000,000
(all in ordinary shares)
Par Value USD 1.00 per share
Ownership Interest 50.43%

4.59 Nanchang Chitai Livestock Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 5,120,229
Ownership Interest 50.43%

4.60 Nanning Chia Tai Animal Husbandry Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 6,774,500
Ownership Interest 46.21%

4.61 Nantong Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 110,060,025
Ownership Interest 30.26%

4.62 Nantong Chia Tai Technology Feed Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 3,000,000
Ownership Interest 30.26%

4.63 Nanyang Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 50,000,000
Ownership Interest 45.89%

4.64 Neijiang Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 3,900,000
Ownership Interest 35.30%

4.65 Ningbo Chia Tai Agriculture Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 7,415,300
Ownership Interest 35.30%

4.66 Pingdingshan Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 2,761,321
Ownership Interest 35.30%

4.67 Pucheng Chia Tai Biochemistry Limited²

Type of Business Production and sale of chlortetracycline
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 100,000,000
Ownership Interest 35.17%

4.68 Qingdao Chia Tai Agricultural Development Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 8,800,000
Ownership Interest 50.43%

4.69 Shaanxi Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 6,729,100
Ownership Interest 48.41%

4.70 Shanghai EK Chor Industrial Trading Company Limited

Type of Business Dormant
Head Office China
Telephone Number 86-215-870-1716
Facsimile Number 86-215-089-6727
Registered Capital USD 200,000
Ownership Interest 50.43%

4.71 Shanxi Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 11,673,200
Ownership Interest 30.21%

4.72 Shenyang Advance Feed Tech Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 24,900,000
Ownership Interest 50.43%

4.73 Shenyang Chia Tai Livestock Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 5,600,000
Ownership Interest 50.43%

4.74 Shijiazhuang Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 22,000,000
Ownership Interest 50.43%

4.75 Shuangliu Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 4,000,000
Ownership Interest 35.30%

4.76 Tai Zhou Chia Tai Feed Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 8,451,051
Ownership Interest 48.41%

4.77 Tianjin Chia Tai Agro-Industrial Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 65,540,000
Ownership Interest 50.43%

4.78 Tianjin Chia Tai Feed Tech Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 23,812,500
Ownership Interest 50.43%

4.79 Urumqi Chia Tai Animal Husbandry Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 34,250,000
Ownership Interest 47.11%

4.80 Weinan Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 69,000,000
Ownership Interest 50.43%

4.81 Wuhan Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 3,750,000
Ownership Interest 50.43%

4.82 Wuhan Chia Tai Aquaculture Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 62,000,000
Ownership Interest 50.43%

4.83 Wuxuan Chia Tai Animal Husbandry Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 34,640,000
Ownership Interest 42.86%

4.84 Xiamen Chia Tai Agriculture Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 30,400,000
Ownership Interest 30.26%

4.85 Xiangyang Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 97,900,000
Ownership Interest 50.43%

4.86 Xuzhou Chia Tai Feed Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 16,000,000
Ownership Interest 32.78%

4.87 Yi Chang Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital USD 18,090,000
Ownership Interest 50.43%

4.88 Yinchuan Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 6,000,000
Ownership Interest 42.86%

4.89 Yongan Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 27,000,000
Ownership Interest 50.43%

4.90 Zhoukou Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 50,000,000
Ownership Interest 50.43%

4.91 Zhumadian Chia Tai Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-108-508-9000
Facsimile Number 86-108-508-9128
Registered Capital RMB 28,060,000
Ownership Interest 30.76%

4.92 Zhumadian Huazheng Property Company Limited²

Type of Business Real estate property
Head Office China
Telephone Number 86-396-212-7539
Facsimile Number 86-396-212-7496
Registered Capital RMB 10,000,000
Ownership Interest 35.17%

4.93 Zhumadian Huazhong Chia Tai Company Limited²

Type of Business Production and sale of chlortetracycline
Head Office China
Telephone Number 86-396-262-3002
Facsimile Number 86-396-212-7496
Registered Capital RMB 72,000,000
Ownership Interest 35.17%

5. CPF Tanzania Limited

Type of Business Animal feedmill and livestock farming
Head Office Tanzania
Registered Capital Tzs 11,500,000,000
(all in ordinary shares)
Par Value Tzs 100.00 per share
Ownership Interest 99.99%

Indirect Subsidiaries

1. C.P. Laos Company Limited

Type of Business Animal feedmill and livestock farming
Head Office Laos
Telephone Number 856-21-453508-10
Facsimile Number 856-21-453507
Registered Capital USD 15,000,000
(all in ordinary shares)
Par Value USD 10.00 per share
Ownership Interest 99.99%

2. Charoen Pokphand Foods Canada Inc.

Type of Business	Import and export food products
Head Office	Canada
Telephone Number	905-604-4993
Facsimile Number	905-215-0203
Registered Capital	CAD 1,000,000 (all in ordinary shares)
Par Value	CAD 1.00 per share
Ownership Interest	70.00%

3. Charoen Pokphand Foods (Malaysia) Sdn. Bhd.

Type of Business	Investment in aquaculture integration business and swine businesses
Head Office	Malaysia
Telephone Number	603-4027-1800
Facsimile Number	603-4027-1900
Registered Capital	RM 200,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.1 Asia Aquaculture (M) Sdn. Bhd.

Type of Business	Shrimp farming and processing plant
Head Office	Malaysia
Telephone Number	603-4027-1800
Facsimile Number	603-4027-1900
Registered Capital	RM 150,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.2 Makin Jernih Sdn. Bhd.

Type of Business	Investment
Head Office	Malaysia
Telephone Number	603-6091-7340
Facsimile Number	603-6091-7342
Registered Capital	RM 50,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.2.1 AA Meat Shop Sdn. Bhd.

Type of Business	Livestock processing retailer
Head Office	Malaysia
Telephone Number	603-6091-7340
Facsimile Number	603-6091-7342
Registered Capital	RM 5,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.2.2 Chau Yang Farming Sdn. Bhd.

Type of Business	Livestock farming
Head Office	Malaysia
Telephone Number	603-6091-7340
Facsimile Number	603-6091-7342
Registered Capital	RM 25,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.2.3 Tip Top Meat Sdn. Bhd.

Type of Business	Livestock processing plant
Head Office	Malaysia
Telephone Number	603-6091-7340
Facsimile Number	603-6091-7342
Registered Capital	RM 25,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

3.3 Star Feedmills (M) Sdn. Bhd.

Type of Business	Aquatic feed production and distribution
Head Office	Malaysia
Telephone Number	603-8921-8299
Facsimile Number	603-8921-8399
Registered Capital	RM 100,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Ownership Interest	99.99%

4. CPF (INDIA) Private Limited (Formerly known as Charoen Pokphand (India) Private Limited)

Type of Business	Animal feedmill and livestock farming
Head Office	India
Telephone Number	91-44-26568406
Registered Capital	RS 1,707,500,000 (all in ordinary shares)
Par Value	RS 10.00 per share
Ownership Interest	99.99%

5. Charoen Pokphand (USA), Inc.

Type of Business	Dormant
Head Office	United States of America
Telephone Number	1-410-505-5017
Facsimile Number	1-410-381-6868
Registered Capital	USD 30,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Ownership Interest	99.97%

6. Charoen Pokphand Enterprise (Taiwan) Company Limited²

Type of Business Chicken integration and livestock farming
Head Office Taiwan
Telephone Number 886-2-25077071
Facsimile Number 886-2-25073438
Registered Capital NTD 3,579,000,000
(all in ordinary shares)
Par Value NTD 10.00 per share
Ownership Interest 32.41%

6.1 Arbor Acres (Taiwan) Company Limited²

Type of Business Livestock farming
Head Office Taiwan
Telephone Number 886-2-25077071
Facsimile Number 886-2-25073438
Registered Capital NTD 32,000,000
(all in ordinary shares)
Par Value NTD 10.00 per share
Ownership Interest 16.21%

6.2 Charoen Pokphand (Taiwan) Company Limited²

Type of Business Importer and distributor of feedstuff additives and animal vaccines
Head Office Taiwan
Telephone Number 886-2-25077071
Facsimile Number 886-2-25073438
Registered Capital NTD 27,152,400
(all in ordinary shares)
Par Value NTD 10.00 per share
Ownership Interest 29.17%

6.3 Chia Tai Lianyungang Company Limited²

Type of Business Investment
Head Office Hong Kong
Telephone Number 852-252-01601
Facsimile Number 852-252-85802
Registered Capital HKD 1,000,000
(all in ordinary shares)
Par Value HKD 1.00 per share
Ownership Interest 32.41%

6.4 Lianyungang Chia Tai Agro-Industry Development Company Limited²

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-518-823-40802
Facsimile Number 86-518-823-42558
Registered Capital USD 5,400,000
Ownership Interest 22.69%

6.5 Plenty Type Limited²

Type of Business Investment
Head Office Cayman Islands
Telephone Number 852-25201601
Facsimile Number 852-25285802
Registered Capital USD 14,261,488 (all in ordinary shares)
Par Value USD 0.231 per share
Ownership Interest 32.41%

7. Russia Baltic Pork Invest ASA

Type of Business Investment
Head Office Norway
Telephone Number 47-3280-0657
Registered Capital NOK 357,913,200
Ownership Interest 69.70%

7.1 Farm Construction LLC.

Type of Business Swine farm construction
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 100,000
Ownership Interest 69.70%

7.2 Finagro ASP

Type of Business Financial service
Head Office Denmark
Telephone Number 45-7658-5005
Registered Capital DKK 500,000
Ownership Interest 69.70%

7.3 Kornevo LLC.

Type of Business Retail food processing products
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 100,000
Ownership Interest 69.70%

7.4 M.I.R. Closed Joint Stock Company

Type of Business Property lease-out
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 98,540,146
Ownership Interest 69.70%

7.5 NNPP LLC.

Type of Business Livestock farming
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 100,000
Ownership Interest 69.70%

7.6 Penza Agri Invest LLC.

Type of Business Livestock farming
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 100,000
Ownership Interest 69.70%

7.7 Penza Land Invest LLC.

Type of Business Property lease-out
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 100,000
Ownership Interest 69.70%

7.8 Pravdinsk Pig Production Closed Joint Stock Company

Type of Business Livestock farming
Head Office Russia
Telephone Number 8-401-230-7700
Registered Capital RB 160,000,000
Ownership Interest 69.70%

Remarks:

¹ In the process of liquidation.

² The Company has the power to govern those companies.

³ Consist of

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

Associates

As at 31 December 2014, there were 10 companies in which CPF directly or indirectly holds more than 20.00% to 50.00% of their paid-up capital.

1. CP ALL Public Company Limited

Type of Business Convenience store business in Thailand, under "7-Eleven" trademark
Head Office Bangkok, Thailand
Telephone Number 0-2677-9000
Facsimile Number 0-2631-1082
Registered Capital THB 8,986,296,048
(all in ordinary shares)
Par Value THB 1.00 per share
Ownership Interest 33.27%

2. Nava 84 Company Limited

Type of Business Investment, of which invested 99.98% in economic crop plantation companies in Thailand
Head Office Bangkok, Thailand
Registered Capital THB 1,500,000,000
(all in ordinary shares)
Par Value THB 10.00 per share
Ownership Interest 25.00%

3. Ross Breeders Siam Company Limited

Type of Business Chicken breeding and distribution
Head Office Bangkok, Thailand
Telephone Number 0-2988-0700
Facsimile Number 0-2988-0706
Registered Capital THB 70,000,000
(all in ordinary shares)
Par Value THB 100.00 per share
Ownership Interest 49.99%

4. Arbor Acres Thailand Company Limited

Type of Business Chicken breeding and distribution
Head Office Bangkok, Thailand
Telephone Number 0-2988-0700
Facsimile Number 0-2988-0706
Registered Capital THB 4,000,000
(all in ordinary shares)
Par Value THB 100.00 per share
Ownership Interest 49.98%

5. BHJ Kalino Food AB

Type of Business Trading of chilled and frozen meat and food
Head Office Sweden
Registered Capital SEK 1,000,000 (all in ordinary shares)
Par Value SEK 1.00 per share
Ownership Interest 15.08%

6. C.P. Aquaculture (India) Private Limited

Type of Business Aquatic feedmill and shrimp hatchery in India
Head Office India
Telephone Number 9144-2491-7790
Registered Capital Rs 250,000,000
(all in ordinary shares)
Par Value Rs 10.00 per share
Ownership Interest 31.70%

7. C.P. Cambodia Company Limited

Type of Business Animal feedmill and livestock farming in Cambodia
Head Office Cambodia
Telephone Number 001-855-24-397339
Registered Capital USD 37,222,000
(all in ordinary shares)
Par Value USD 5,030.00 per share
Ownership Interest 25.00%

8. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.

Type of Business Investment, of which invested 100.00% in 9 livestock feedmill and livestock farming companies in Malaysia
Head Office Malaysia
Telephone Number 60-3317-63061
Registered Capital RM 50,000,000
(all in ordinary shares)
Par Value RM 1.00 per share
Ownership Interest 49.75%

9. Conti Chia Tai International Limited

Type of Business Production and sale of animal feed
Head Office Hong Kong
Telephone Number 852-282-36177
Telephone Number 852-252-47290
Registered Capital HKD 3,122,000 (all in ordinary shares)
Ownership Interest 25.21%

10. Zhan Jiang Deni Carburetor Company Limited

Type of Business Motorcycle carburetor and auto parts
production and distribution
Head Office China
Telephone Number 86-759-315-0908
Facsimile Number 86-759-331-4374
Registered Capital USD 21,250,000
Ownership Interest 14.12%

Jointly-controlled entities

As at 31 December 2014, there were 6 companies in which CPF is jointly-controlled

1. CP-Meiji Company Limited

Type of Business Manufacturing and distribution
of milk products and healthy
dairy product
Head Office Bangkok, Thailand
Telephone Number 0-2677-9000
Facsimile Number 0-2631-1082
Registered Capital THB 500,000,000
(all in ordinary shares)
Par value THB 1,000.00 per share
Ownership Interest 59.99%

2. Beijing Chia Tai Feedmill Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-106-941-2811
Facsimile Number 86-106-941-2877
Registered Capital USD 5,000,000
Ownership Interest 25.21%

3. ECI Metro Investment Company Limited

Type of Business Investment and trade of machinery
and spare parts
Head Office British Virgin Islands
Telephone Number 852-252-01601
Facsimile Number 852-286-12514
Registered Capital USD 12,000,000
(all in ordinary shares)
Ownership Interest 25.21%

4. Handan Chia Tai Feed Company Limited

Type of Business Animal feed production and
distribution
Head Office China
Telephone Number 86-379-678-51191
Facsimile Number 86-379-678-51190
Registered Capital RMB 11,200,000
Ownership Interest 25.21%

5. Henan East Chia Tai Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-310-638-6570
Facsimile Number 86-310-638-6608
Registered Capital USD 5,400,000
Ownership Interest 25.21%

6. Jilin Chia Tai Enterprise Company Limited

Type of Business Production and sale of animal feed
Head Office China
Telephone Number 86-431-829-90255
Facsimile Number 86-431-829-90266
Registered Capital USD 8,284,000
Ownership Interest 25.21%

Companies in which CPF holds more than 10.00% but less than 20.00%*

As at 31 December 2014, there was 1 company in which CPF directly and indirectly holds more than 10.00% but less than 20.00% of its paid-up capital.

Kinghill Limited

Type of Business	Investment, of which invested 100.00% in company that manages shopping center, "Super Brand Mall", in China
Head Office	Cayman Islands
Registered Capital	USD 680,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Ownership Interest	13.96%

*Note: * Not including the Company that already fully recorded the asset impairment.*

REFERENCES



Share Registrar

[Thailand Securities Depository Co., Ltd.](#)

62 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand.

Telephone number: (662) 229-2800

Facsimile number: (662) 359-1259

Bond Registrar and Bondholders' Representative

[Unsecured Debentures of Charoen Pokphand Foods Plc. #1/2009 Series 3 due 2015](#)

Bond Registrar Securities Services Department, Kasikornbank Plc.
and Bondholders' Head Office Building, Phahonyothin, 11th Floor
Representative 400/22 Phahonyothin Road, Phayathai, Bangkok 10400, Thailand.
Telephone number: (662) 470-1982
Facsimile number: (662) 470-1998

[Unsecured Debentures of Charoen Pokphand Foods Plc.#2/2009 due 2015, #1/2010 due 2015, #1/2012 due 2016 and #1/2013 due 2018](#)

Bond Registrar Registrar 1, Markets Operations Division,
Siam Commercial Bank Plc.
Building 2, 3rd Floor, 1060 Phetburi, Ratchatawee, Bangkok 10400, Thailand
Telephone number: (662) 256-2323-6
Facsimile number: (662) 256-2406

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

Bond Registrar Agent and Securities Services Dept. TMB Bank Plc.
3000 Head Office Building, 5A Floor
Phahonyothin Rd., Chompol, Chatuchak, Bangkok 10900, Thailand
Telephone number: (662) 229-1321
Facsimile number: (662) 242-3270

Bondholders' Agent and Securities Services Dept., Bank of Ayudhya Plc.
Representative 1222 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok 10120, Thailand
Telephone number: (662) 296-4782
Facsimile number: (662) 683-1298

Unsecured Debentures of Charoen Pokphand Foods Plc.#1/2011 Series 1 due 2018, Series 2 due 2021, Series 3 due 2041 with debentureholders' early redemption right, and #2/2011 due 2041 with debentureholders' early redemption right

Bond Registrar Securities Service Department, Bangkok Bank Plc.
and Bondholders' 333 Silom Road, Bangrak, Bangkok 15000, Thailand.
Representative Telephone number: (662) 230-1477-8
 Facsimile number: (662) 626-4545-6

Unsecured Debentures of Charoen Pokphand Foods Plc.#2/2012 Series 1 due 2019, Series 2 due 2022 and Series 3 due 2032

Bond Registrar Agent and Securities Services Dept. TMB Bank Plc.
and Bondholders' 3000 Head Office Building, 5A Floor
Representative Phahonyothin Rd., Chompol, Chatuchak, Bangkok 10900, Thailand
 Telephone number: (662) 229-1321
 Facsimile number: (662) 242-3270

Unsecured Debentures of Charoen Pokphand Foods Plc.#2/2013 Series 1 due 2017, Series 2 due 2019 and Series 3 due 2021

Bond Registrar Agent and Securities Services Dept. TMB Bank Plc.
 3000 Head Office Building, 5A Floor
 Phahonyothin Rd., Chompol, Chatuchak, Bangkok 10900, Thailand
 Telephone number: (662) 229-1321
 Facsimile number: (662) 242-3270

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 address: shrrelations@bnymellon.com

Auditors

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

KPMG Phoomchai Audit Ltd.

Empire Tower, 50th-51st Floor
1 South Sathorn Road, Sathorn, Bangkok 10120, Thailand
Telephone number: (662) 677-2000
Facsimile number: (662) 677-2232

CONTACT US



Head Office

313 C.P. Tower, Silom Road,
Silom, Bangrak, Bangkok 10500, Thailand

 (662) 625-8000  (662) 638-2139


 www.cpfworldwide.com

 www.cpfbrandsite.com

Corporate Secretary Office

313 C.P. Tower, 15th Floor, Silom Road,
Silom, Bangrak, Bangkok 10500, Thailand

 (662) 625-8352, (662) 625-8354


 (662) 638-2139

 csoffice@cpf.co.th

Investor Relations Office

313 C.P. Tower, 26th Floor, Silom Road,
Silom, Bangrak, Bangkok 10500, Thailand



 (662) 625-8322, (662) 625-8356

 (662) 638-2942

 iroffice@cpf.co.th

Recruitment and Selection Center

1 C.P. Tower 2, 18th Floor, Ratchadapisek Road,
Dindaeng, Bangkok 10400, Thailand

 (662) 641-0400  (662) 641-0100

 job@cpf.co.th

CPF Consumer Center

 (662) 800-8000

CP Fresh Mart Delivery

 1788

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

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report



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

บริษัท เคพีเอ็มจี ภูเก็ต สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้
กรุงเทพฯ 10120

Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

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 2014, 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 2014 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.' with a stylized flourish at the end.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
26 February 2015

**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	
		2014	2013	2014	2013
Assets					
<i>Current assets</i>					
Cash and cash equivalents	7	33,551,551	19,457,298	13,696,266	1,395,703
Current investments		5,768,762	3,143,140	-	-
Accounts receivable - trade and others	8	24,953,330	24,240,434	4,339,602	4,719,747
Short-term loans to subsidiaries	6	-	-	19,733,432	17,970,430
Short-term loans to jointly-controlled entities	6	-	147,440	-	-
Current portion of long-term loans to subsidiaries	6	-	-	119,623	1,443,372
Inventories	6, 9	49,036,020	48,469,148	4,201,329	4,278,322
Current biological assets	10	24,377,595	22,425,173	1,371,710	1,265,708
Advance payments for purchase of goods		1,996,721	766,444	-	-
Prepaid expenses		1,357,809	1,240,526	223,239	229,140
Accrued dividend income	6	95,110	46,229	3,901,983	1,125,000
Restricted deposits at financial institutions	20	1,347,495	1,043,699	-	-
Other current assets	6	3,769,056	3,263,976	137,962	272,779
Total current assets		146,253,449	124,243,507	47,725,146	32,700,201

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets (Continued)		2014	2013	2014	2013
Non-current assets					
Available-for-sale investments	11	3,924,202	1,909,294	-	-
Investments in subsidiaries	12	-	-	68,442,882	87,565,367
Investments in associates	13	52,055,045	40,832,599	334,809	334,809
Investments in jointly-controlled entities	14	4,194,145	5,265,865	-	-
Investments in related companies	15	1,548,709	1,545,922	678,170	678,170
Investments in other companies		290,448	44,054	-	-
Long-term loans to subsidiaries	6	-	-	16,837,241	17,410,310
Investment properties	16	1,168,713	1,929,957	199,614	203,715
Property, plant and equipment	6, 17	124,460,811	110,930,836	17,862,117	17,787,009
Non-current biological assets	10	5,595,036	5,179,725	-	-
Goodwill	18	60,698,539	59,293,471	-	-
Other intangible assets	19	4,715,071	3,895,169	49,968	52,769
Restricted deposits at financial institutions	20	706,579	157,984	-	-
Deferred tax assets	21	3,815,344	2,895,881	2,604,449	1,703,576
Leasehold rights prepayment	22	5,039,177	4,866,359	-	-
Other non-current assets		2,298,592	2,012,493	179,417	175,857
Total non-current assets		270,510,411	240,759,609	107,188,667	125,911,582
Total assets		416,763,860	365,003,116	154,913,813	158,611,783

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	
		2014	2013	2014	2013
Liabilities and equity					
<i>Current liabilities</i>					
Overdrafts and short-term borrowings					
from financial institutions	23	63,686,589	61,861,180	5,098	9,331
Bills of exchange	23	1,988,760	3,477,483	1,988,760	3,477,483
Accounts payable - trade and others	24	25,632,138	21,887,690	1,596,611	1,905,323
Short-term borrowings from jointly-controlled entities and related company	6, 23	395,405	232,833	-	-
Short-term borrowings from other companies	23	-	141,065	-	-
Current portion of long-term debts	23	13,432,366	11,494,225	5,616,400	6,700,000
Current portion of long-term borrowings from related company	6, 23	-	22,935	-	-
Accrued expenses		7,950,594	7,366,328	264,815	241,754
Income tax payable		1,920,958	1,249,211	-	-
Other current liabilities		8,277,878	7,268,518	1,465,960	1,505,523
Total current liabilities		123,284,688	115,001,468	10,937,644	13,839,414
<i>Non-current liabilities</i>					
Long-term debts	23	116,425,489	109,175,571	60,522,406	66,127,469
Provisions and others		725,581	470,628	-	-
Deferred tax liabilities	21	5,677,034	4,517,398	-	-
Employee benefit obligations	25	6,684,818	6,265,481	1,893,607	1,761,932
Total non-current liabilities		129,512,922	120,429,078	62,416,013	67,889,401
Total liabilities		252,797,610	235,430,546	73,353,657	81,728,815

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	
		2014	2013	2014	2013
Liabilities and equity (Continued)					
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		4,042,933	(68,794)	-	-
Surplus on common control transactions		-	-	428,671	428,671
Retained earnings					
Appropriated	28				
Legal reserve		820,666	820,666	820,666	820,666
Unappropriated		60,130,818	53,492,657	32,244,832	27,566,867
Other components of equity		5,997,143	9,009,371	1,280,169	1,280,946
Total equity attributable to equity holders of the Company		117,532,260	109,794,600	81,560,156	76,882,968
Non-controlling interests		46,433,990	19,777,970	-	-
Total equity		163,966,250	129,572,570	81,560,156	76,882,968
Total liabilities and equity		416,763,860	365,003,116	154,913,813	158,611,783

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	
		31 December		31 December	
		2014	2013	2014	2013
Income	6				
Revenue from sale of goods		426,039,447	389,251,030	26,898,321	26,120,959
Interest income		585,713	405,189	2,453,488	2,815,629
Dividend income		60,866	32,643	13,427,954	13,566,243
Net foreign exchange gains		-	-	90,841	72,037
Gains on sale of investments	13	4,662,284	8,218,523	1,883,824	67
Gains on liquidation of subsidiary		-	-	-	4,000
Other income		2,153,689	1,669,705	44,295	82,324
Total income		433,501,999	399,577,090	44,798,723	42,661,259
Expenses	6				
Cost of sale of goods	9, 33	368,759,673	350,393,921	28,749,233	29,021,615
Gains on changes in fair value of biological assets	10	(337,921)	(523,710)	-	-
Selling expenses	30, 33	18,752,605	16,375,369	965,084	955,736
Administrative expenses	31, 33	24,084,581	20,587,562	3,650,916	4,055,182
Net foreign exchange losses		352,866	218,707	-	-
Finance costs	34	8,880,135	7,937,354	3,361,976	3,442,547
Total expenses		420,491,939	394,989,203	36,727,209	37,475,080
Share of profits of associates and jointly-controlled entities	13, 14	4,868,734	4,947,488	-	-
Profit before income tax expense (income)		17,878,794	9,535,375	8,071,514	5,186,179
Income tax expense (income)	35	3,649,402	133,429	(864,293)	(1,687,619)
Profit for the year		14,229,392	9,401,946	8,935,807	6,873,798
Profit for the year attributable to:					
Equity holders of the Company		10,561,703	7,065,249	8,935,807	6,873,798
Non-controlling interests		3,667,689	2,336,697	-	-
Profit for the year		14,229,392	9,401,946	8,935,807	6,873,798
Basic earnings per share (in Baht)	37	1.43	0.96	1.15	0.89

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)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
<i>Note</i>	2014	2013	2014	2013
Profit for the year	14,229,392	9,401,946	8,935,807	6,873,798
Other comprehensive income				
Net change in fair value of available-for-sale investments	1,376,621	1,339,175	-	-
Net change in fair value of available-for-sale investment transferred to profit or loss	-	(1,875,090)	-	-
Currency translation differences	(2,390,309)	6,587,476	-	-
Defined benefit plan actuarial gains (losses)	35,991	(1,002,702)	-	(294,864)
Other comprehensive income before income tax expense (income)	(977,697)	5,048,859	-	(294,864)
Income tax expense (income) of other comprehensive income	35 280,467	(243,736)	-	(58,973)
Other comprehensive income for the year, net of income tax expense (income)	(1,258,164)	5,292,595	-	(235,891)
Total comprehensive income for the year	12,971,228	14,694,541	8,935,807	6,637,907
Total comprehensive income attributable to:				
Equity holders of the Company	8,869,195	11,098,618	8,935,807	6,637,907
Non-controlling interests	4,102,033	3,595,923	-	-
Total comprehensive income for the year	12,971,228	14,694,541	8,935,807	6,637,907

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	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 2013															
Balance at 1 January 2013	7,742,942	(1,135,146)	36,462,883	3,470,021	215,944	820,666	52,770,259	7,855,428	777,227	(4,458,413)	4,174,242	104,521,811	16,258,989	120,780,800	
Transactions with equity holders, recorded directly in equity															
<i>Contributions by and distributions to owners</i>															
Dividends paid	-	-	-	-	-	-	(5,541,091)	-	-	-	-	(5,541,091)	(1,338,833)	(6,879,924)	
Total contributions by and distributions to owners	-	-	-	-	-	-	(5,541,091)	-	-	-	-	(5,541,091)	(1,338,833)	(6,879,924)	
<i>Changes in ownership interests in subsidiaries and associates</i>															
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	771,805	771,805	
Changes in ownership interests in associates	-	-	-	-	(387,282)	-	-	-	-	-	-	(387,282)	-	(387,282)	
New shares issued by subsidiary	-	-	-	-	102,544	-	-	-	-	-	-	102,544	490,086	592,630	
Total changes in ownership interests in subsidiaries and associates	-	-	-	-	(284,738)	-	-	-	-	-	-	(284,738)	1,261,891	977,153	
Total transactions with equity holders, recorded directly in equity	-	-	-	-	(284,738)	-	(5,541,091)	-	-	-	-	(5,825,829)	(76,942)	(5,902,771)	
Comprehensive income for the year	-	-	-	-	-	-	7,065,249	-	-	-	-	7,065,249	2,336,697	9,401,946	
Profit	-	-	-	-	-	-	7,065,249	-	-	-	-	7,065,249	2,336,697	9,401,946	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Actuarial gains (losses)	-	-	-	-	(804,768)	-	(804,768)	-	-	-	-	(804,768)	1,249	(803,519)	
- Other	-	-	-	-	(492,529)	-	-	-	(492,529)	5,330,666	4,838,137	4,838,137	1,257,977	6,096,114	
Total comprehensive income for the year	-	-	-	-	-	-	6,260,481	-	(492,529)	5,330,666	4,838,137	11,098,618	3,595,923	14,694,541	
Transferred to retained earnings	-	-	-	-	-	-	3,008	(3,008)	-	-	(3,008)	-	-	-	-
Balance at 31 December 2013	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	

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	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 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
Balance at 1 January 2014	-	-	-	-	-	-	(4,063,466)	-	-	-	-	(4,063,466)	(2,312,845)	(6,376,311)
Transactions with equity holders, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Contributions by and distributions to owners</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Total contributions by and distributions to owners</i>	-	-	-	-	-	-	(4,063,466)	-	-	-	-	(4,063,466)	(2,312,845)	(6,376,311)
<i>Changes in ownership interests in subsidiaries and associates</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 ownership 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	-	-	-	-	-	-	(67,306)	-	-	-	-	(67,306)	98,154	30,848
- Actuarial gains (losses)	-	-	-	-	-	-	-	-	-	-	-	-	336,190	(1,289,012)
- Other	-	-	-	-	-	-	-	-	1,095,226	(2,720,428)	(1,625,202)	(1,625,202)	-	-
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)

	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	
							Revaluation differences on assets	Total other components of equity
Year ended 31 December 2013								
Balance at 1 January 2013	7,742,942	35,572,855	3,470,021	428,671	820,666	26,736,166	1,280,946	76,052,267
Transactions with equity holders, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends paid	-	-	-	-	-	(5,807,206)	-	(5,807,206)
Total distributions to owners	-	-	-	-	-	(5,807,206)	-	(5,807,206)
Total transactions with equity holders, recorded directly in equity	-	-	-	-	-	(5,807,206)	-	(5,807,206)
Comprehensive income for the year								
Profit	-	-	-	-	-	6,873,798	-	6,873,798
Other comprehensive income								
- Actuarial losses	-	-	-	-	-	(235,891)	-	(235,891)
Total comprehensive income for the year	-	-	-	-	-	6,637,907	-	6,637,907
Balance at 31 December 2013	7,742,942	35,572,855	3,470,021	428,671	820,666	27,566,867	1,280,946	76,882,968

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		
							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									
<i>Distributions to owners</i>									
Dividends paid	-	-	-	-	-	(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	820,666	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 cash flows

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2014	2013	2014	2013
<i>Cash flows from operating activities</i>					
Profit for the year		14,229,392	9,401,946	8,935,807	6,873,798
<i>Adjustments for</i>					
Depreciation	16, 17	8,962,900	7,590,655	2,010,394	1,823,219
Amortisation		1,002,294	953,750	8,984	8,274
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	8	5,674	113,477	(549)	16,805
Losses (reversal of allowance for losses) on decline in value of inventories adjusted to net realisable value		(19,447)	95,099	(37,157)	116,403
Interest income		(585,713)	(405,189)	(2,453,488)	(2,815,629)
Dividend income		(60,866)	(32,643)	(13,427,954)	(13,566,243)
Finance costs	34	8,880,135	7,937,354	3,361,976	3,442,547
Gains on sales of investments		(4,662,284)	(8,218,523)	(1,883,824)	(67)
Employee benefit obligations		686,752	443,423	196,670	121,118
Gain on liquidation of subsidiaries		-	-	-	(4,000)
Gain on sales of investment properties		(12,840)	-	(6,900)	-
Losses (gains) on sale of property, plant and equipment		13,292	(104,358)	(4,426)	13,014
Losses on write-off of other intangible assets		2,028	-	-	-
Losses on write-off of plant and equipment		121,154	94,627	35,529	3,787
Impairment losses of plant and equipment	17	60,601	-	60,601	-
Reversal of losses of revaluation of investment properties		-	(6,990)	-	-
Unrealised losses (gains) on exchange rates		(259,791)	(124,463)	540,374	(120,490)
Gains on changes in fair value of biological assets		(337,921)	(523,710)	-	-
Impairment loss on investments		-	-	-	339,097
Share of profits of associates and jointly-controlled entities	13, 14	(4,868,734)	(4,947,488)	-	-
Income tax expense (income)	35	3,649,402	133,429	(864,293)	(1,687,619)
		26,806,028	12,400,396	(3,528,256)	(5,435,986)
<i>Changes in operating assets and liabilities</i>					
Accounts receivable - trade and others		(452,229)	(567,521)	380,694	568,320
Inventories		(959,960)	1,300,427	114,150	879,124

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)

Note	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
	2014	2013	2014	2013
Cash flows from operating activities				
<i>(Continued)</i>				
Current and non-current biological assets	(2,625,957)	(1,626,905)	(106,002)	(12,146)
Other current assets	(2,410,878)	(294,080)	128,058	92,214
Other non-current assets	(1,159,492)	(519,845)	15,905	(386)
Accounts payable - trade and others	5,608,282	(339,194)	(308,712)	(183,542)
Other current liabilities	1,782,424	2,322,204	(1,280)	(164,683)
Employee benefits paid	(183,324)	(183,103)	(64,995)	(21,118)
Income tax paid	(3,219,730)	(3,040,786)	(56,045)	(64,456)
Net cash provided by (used in)				
operating activities	23,185,164	9,451,593	(3,426,483)	(4,342,659)
Cash flows from investing activities				
Interest received	596,931	516,010	2,466,148	2,713,206
Dividends received	3,406,666	3,291,771	10,650,971	13,492,220
(Increase) decrease in short-term loans				
to subsidiaries	-	-	(1,931,700)	4,288,684
Decrease in short-term loans to				
jointly-controlled entities and				
related company	141,299	63,122	-	-
Increase in short-term loan to other company	-	(135,662)	-	-
Purchase of current investments	(2,629,610)	(2,986,631)	-	-
Purchase of investments	(13,484,362)	(14,028,670)	(1,654)	(2,503,610)
Purchase of net assets	-	(314,207)	-	-
Sale of investments	6,173,439	12,880,436	21,007,963	493,147
Net consideration paid for acquisition				
of subsidiaries	5 (3,129,823)	(729,485)	-	-
Net cash inflow from disposal				
of subsidiaries	1,633,945	-	-	-
Decrease (increase) in long-term				
loans to subsidiaries	-	-	1,265,352	(4,744,800)
Purchase of property, plant and equipment	(25,550,473)	(22,513,225)	(2,152,133)	(3,190,334)
Purchase of investment properties	(62,871)	(26,980)	-	-
Sale of investment properties	11,024	-	11,000	-
Sale of property, plant and equipment	73,854	317,830	28,865	30,613

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	
	31 December		31 December	
<i>Note</i>	2014	2013	2014	2013
<i>Cash flows from investing activities</i>				
<i>(Continued)</i>				
Sale of other intangible assets	653	-	-	-
Purchase of other intangible assets	19 (230,762)	(158,748)	(6,142)	(9,427)
Purchase of leasehold rights	(113,647)	(397,268)	-	-
Proceeds from liquidation of subsidiary	-	-	-	24,000
Net cash provided by (used in)				
investing activities	(33,163,737)	(24,221,707)	31,338,670	10,593,699
<i>Cash flows from financing activities</i>				
Interest paid	(8,392,562)	(7,119,342)	(3,305,031)	(3,042,759)
Increase (decrease) in short-term borrowings from financial institutions	3,009,084	10,934,337	-	(4,550,762)
Decrease in bills of exchange	(1,599,221)	(1,751,370)	(1,599,221)	(1,751,370)
Decrease in short-term borrowings from subsidiaries	-	-	-	(400,000)
Increase (decrease) in short-term borrowings from jointly-controlled entities and related company	171,083	(2,511)	-	-
Decrease in short-term loan from other companies	(141,065)	(271,325)	-	-
Decrease in long-term borrowings from related company	(22,935)	(40,558)	-	-
Repayment of liabilities under finance leases	(10,244)	(7,355)	-	-
Proceeds from long-term borrowings from financial institutions	11,258,284	17,157,417	-	-
Repayment of long-term borrowings from financial institutions	(4,719,944)	(5,210,717)	(500,000)	(1,400,000)
Proceeds from issue of debentures	9,318,807	16,000,000	-	16,000,000
Repayment of debentures	(6,200,000)	(5,200,000)	(6,200,000)	(5,200,000)
Payment of financial transaction costs	(487,857)	(440,243)	(13,132)	(13,599)
Proceeds from issue of new ordinary shares	75,810	50,154	-	-
Proceeds from exercise share options	433,329	541,278	-	-

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	
	31 December		31 December	
<i>Note</i>	2014	2013	2014	2013
<i>Cash flows from financing activities</i>				
<i>(Continued)</i>				
Dividend paid of the Company - net of dividends paid to subsidiaries (for share held in treasury)	(4,104,276)	(5,525,948)	(4,249,797)	(5,792,063)
Dividends paid to non-controlling interests	(2,312,845)	(1,321,772)	-	-
Proceed from partial disposal of interest in subsidiary	5 27,257,795	-	-	-
Net cash provided by (used in) financing activities	23,533,243	17,792,045	(15,867,181)	(6,150,553)
Net increase (decrease) in cash and cash equivalents	13,554,670	3,021,931	12,045,006	100,487
Cash and cash equivalents at beginning of year	17,180,252	12,250,346	1,386,372	1,285,885
Effect of exchange rate changes on balances held in foreign currencies	1,188,643	1,907,975	259,790	-
Cash and cash equivalents at end of year	31,923,565	17,180,252	13,691,168	1,386,372
<i>Supplemental disclosures of cash flows information:</i>				
1. Cash and cash equivalents				
These consisted of:				
Cash and cash equivalents	7 33,551,551	19,457,298	13,696,266	1,395,703
Overdrafts	23 (1,627,986)	(2,277,046)	(5,098)	(9,331)
Net	31,923,565	17,180,252	13,691,168	1,386,372
2. Non-cash transactions				
The group had non-cash transactions during the year ended 31 December 2014 as follows:				
2.1 Acquisition of BHJ Kalino Food AB amounting to Swedish Krona 4.8 million or equivalent to Baht 24.2 million of which Baht 19.2 million was payable as at 31 December 2014.				
2.2 As at 31 December 2014 the Group and the Company had accrued dividend income amounting to Baht 95 million and Baht 3,902 million respectively (2013: Baht 46 million and Baht 1,125 million respectively)				

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policy
4	Significant accounting policies
5	Business combination by acquisition of shares
6	Related party transactions
7	Cash and cash equivalents
8	Accounts receivable - trade and others
9	Inventories
10	Biological assets
11	Available-for-sale investments
12	Investments in subsidiaries
13	Investments in associates
14	Investments in jointly-controlled entities
15	Investments in related companies
16	Investment properties
17	Property, plant and equipment
18	Goodwill
19	Other intangible assets
20	Restricted deposits at financial institutions
21	Deferred income tax
22	Leasehold rights prepayment
23	Interest-bearing liabilities
24	Accounts payable - trade and others
25	Employee benefit obligations
26	Share capital
27	Treasury shares
28	Additional paid-in capital and reserves
29	Segment information
30	Selling expenses
31	Administrative expenses
32	Management and employee benefit expenses
33	Expenses by nature
34	Finance costs
35	Income tax expense (income)
36	Promotional privileges
37	Basic earnings per share
38	Dividends
39	Financial instruments
40	Commitments with non-related parties
41	Guarantees
42	Thai Financial Reporting Standards not yet adopted
43	Reclassification of accounts

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 26 February 2015.

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, sourcing 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 selling their products to both domestic and overseas markets. 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 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Thailand operations and businesses related to operations in Thailand</i>				
<i>Livestock Business</i>				
<i>Direct subsidiaries</i>				
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

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Indirect subsidiaries</i>				
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
4) CPF Europe S.A. (4.1 is a subsidiary of CPF Europe S.A.)	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
4.1) Tops Foods NV	Production and distribution of ready-to-eat foods	Belgium	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	52.00	52.00
7.1) Fusion Abbey Park Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.2) Fusion Alfrick Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.3) Fusion Bracewell Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.4) Fusion Bransford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.5) Fusion Broadway Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.6) Fusion Brothwood Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.7) Fusion Calis Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.8) Fusion Carnoustie Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.9) Fusion Charlton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.10) Fusion Crowle Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.11) Fusion Dalaman Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.12) Fusion Defford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.13) Fusion Dormington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.14) Fusion Driscoll Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.15) Fusion Dumbleton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.16) Fusion Eastoe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.17) Fusion Elmbridge Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
7.18) Fusion Everton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.19) Fusion Exning Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.20) Fusion Fethiye Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.21) Fusion Gatley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.22) Fusion Gocek Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.23) Fusion Gray Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.24) Fusion Harper Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.25) Fusion Hartford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.26) Fusion Hawstead Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.27) Fusion Head Street Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.28) Fusion Heath Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.29) Fusion Irvine Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.30) Fusion Kaitaia Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.31) Fusion Kroma Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.32) Fusion Krone Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.33) Fusion Lineker Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.34) Fusion Littleworth Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.35) Fusion Madeley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.36) Fusion McMahon Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.37) Fusion Mountfield Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.38) Fusion Moyes Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.39) Fusion Newlands Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.40) Fusion Niamh Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.41) Fusion Pershore Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.42) Fusion Priest Lane Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.43) Fusion Ratcliffe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
7.44) Fusion Reid Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.45) Fusion Richardson Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.46) Fusion Samui Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.47) Fusion Sharp Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.48) Fusion Sheedy Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.49) Fusion Soham Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.50) Fusion Southall Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.51) Fusion Stevens Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.52) Fusion Thetford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.53) Fusion Turgay Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.54) Fusion Uzumlu Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.55) Fusion Van Den Hauwe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.56) Fusion Wadborough Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.57) Fusion Wellington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.58) Fusion Whistler Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.59) Fusion Wright Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.60) Fusion Yamac Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
<i>Aquaculture business</i>				
<i>Direct subsidiaries</i>				
1) Seafoods Enterprise Co., Ltd. ⁽¹⁾	Shrimp processing plant	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
1) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Other businesses</i>				
<i>Direct subsidiaries</i>				
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) IP (Thailand) Co., Ltd. ⁽⁴⁾	Investment	Thailand	-	99.99
<i>Overseas operations</i>				
<i>Direct subsidiaries</i>				
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	-

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct and indirect subsidiaries</i>				
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 2.3 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	-
2.3) CPF Trading LLC.	Importer and distributor of meat products	Russia	60.00	-
3) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	99.99	99.99
4) C.P. Pokphand Co., Ltd. (4.1 to 4.95 are subsidiaries of C.P. Pokphand Co., Ltd.)	Investment	Bermuda	50.43	75.01
4.1) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.2) C.P. Enterprises Limited	Investment	Hong Kong	50.43	75.01
4.3) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of value-added processed food	The People's Republic of China	50.43	-
4.4) 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	-
4.5) C.P. Food (Xiangyang) Co., Ltd.	Food processing plant	The People's Republic of China	50.43	-
4.6) C.P. Food (Zhanjiang) Co.,Ltd.	Manufacture and sale of value added processes food	The People's Republic of China	50.43	-
4.7) C.P. Standard Resources Limited	Investment	Hong Kong	50.43	75.01
4.8) C.P. Vietnam Corporation	Animal feed production and distribution and farming and food processing plant	Vietnam	64.89	82.30
4.9) C.T. Progressive (H.K.) Limited	Investment	Bermuda	50.43	75.01
4.10) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.11) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	50.43	75.01
4.12) Chengdu Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
4.13) Chia Tai (China) Investment Co., Ltd.	Investment and trading	The People's Republic of China	50.43	75.01
4.14) Chia Tai Enterprises International Limited (formerly known as Ek Chor China Motorcycle Co., Ltd.)	Investment	Bermuda	50.43	75.01
4.15) Chia Tai Feed (Qianjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	-
4.16) Chia Tai Feed (Yushu) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	-
4.17) Chia Tai Feed (Zhanjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	-
4.18) 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	75.01
4.19) 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	75.01
4.20) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong	50.43	75.01
4.21) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong	50.43	75.01
4.22) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.23) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.24) Chongqing Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.25) Chongqing Shuangqiao Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51
4.26) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.27) CP China Investment Limited	Investment	Cayman Islands	50.43	75.01
4.28) CP Food Investment Limited	Investment	Hong Kong	50.43	75.01
4.29) Dali Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.30) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	75.01

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
4.31) Ek Chor Investment Company Limited ⁽⁵⁾	Investment	Hong Kong	-	75.01
4.32) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.33) Gansu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	75.01
4.34) Ganzhou Chia Tai Industrial Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	40.34	60.01
4.35) Golden Industrial Investment Limited	Investment	Hong Kong	50.43	75.01
4.36) Guang An Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.37) Guangdong Tai Tong Investment Co., Ltd. ⁽¹⁾	Investment	The People's Republic of China	50.43	75.01
4.38) Guang Han Chia Tai Feed Tech Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.89	68.26
4.39) Guangxi Chia Tai Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	75.01
4.40) Guilin Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	63.76
4.41) Guiyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.42) Hangzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.43) Hannick Limited	Property investment	Hong Kong	50.43	75.01
4.44) Hebei Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	-
4.45) Hefei Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	-
4.46) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	75.01
4.47) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.48) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.49) Inner Mongolia Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.58	67.80

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
4.50) Jiangsu Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	75.01
4.51) Jiangsu Huai Yin Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	44.38	66.01
4.52) 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	-
4.53) Jinan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	32.78	48.76
4.54) Jiujiang Chia Tai Feedstuff Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.55) Kaifeng Chia Tai Co.,Ltd	Production and sale of animal feed	The People's Republic of China	50.43	-
4.56) Kunming Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	46.59	69.29
4.57) Lanzhou Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.70	70.96
4.58) Liuzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.59) Mianyang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	40.34	60.01
4.60) Modern State Investments Limited	Investment	British Virgin Islands	50.43	75.01
4.61) Nanchang Chiatai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.62) Nanning Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	46.21	68.74
4.63) Nantong Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.64) Nantong Chia Tai Tech Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.65) Nanyang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.89	68.26
4.66) Neijiang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51
4.67) Ningbo Chia Tai Agriculture Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
4.68) Pingdingshan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51
4.69) Pucheng Chia Tai Biochemistry Limited ⁽²⁾	Production and sale of chlortetracycline	The People's Republic of China	35.17	52.13
4.70) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.71) Shaanxi Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.41	72.00
4.72) Shanghai EK Chor Industrial Trading Co., Ltd. ⁽³⁾	Sale of machine and spare part	The People's Republic of China	50.43	75.01
4.73) Shanxi Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.21	44.93
4.74) Shenyang Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.75) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.76) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.77) Shuangliu Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	52.51
4.78) Tai Zhou Chia Tai Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.41	72.01
4.79) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.80) Tianjin Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.81) Urumqi Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	47.11	70.08
4.82) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.83) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.84) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.85) Wuxuan Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	63.76

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
4.86) Xiamen Chia Tai Agriculture Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	45.01
4.87) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.88) Xuzhou Chia Tai Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	32.78	48.76
4.89) Yi Chang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.90) Yinchuan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	63.76
4.91) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.92) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	75.01
4.93) Zhumadian Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.76	45.76
4.94) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽²⁾	Production and sale of chlortetracycline	The People's Republic of China	35.17	52.51
4.95) Zhumadian Huazhong Property Co., Ltd. ⁽²⁾	Real estate property	The People's Republic of China	35.17	52.51
5) CPF Tanzania Limited	Animal feedmill and livestock farming	Tanzania	99.99	99.99
Indirect subsidiaries				
1) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
2) Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	70.00	-
3) Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (3.1 to 3.3 are subsidiaries of Charoen Pokphand Foods (Malaysia) Sdn. Bhd.)	Investment in aquaculture integration business and swine businesses	Malaysia	99.99	99.99
3.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
3.2) Makin Jernih Sdn. Bhd. (3.2.1 to 3.2.3 are subsidiaries of Makin Jernih Sdn. Bhd.)	Investment	Malaysia	99.99	99.99
3.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
3.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
3.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
3.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
4) CPF (INDIA) Private Limited (formerly known as Charoen Pokphand (India) Private Limited)	Animal feedmill and livestock farming	India	99.99	99.99
5) Charoen Pokphand (USA), Inc. ⁽³⁾	Broiler chicken integration	United States of America	99.97	99.97
6) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽²⁾ (6.1 to 6.5 are subsidiaries of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.)	Chicken integration and livestock farming	Taiwan	32.41	32.41
6.1) Arbor Acres (Taiwan) Co., Ltd. ⁽²⁾	Livestock farming	Taiwan	16.21	16.21
6.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽²⁾	Importer and distributor of feedstuff additives and animal vaccines	Taiwan	29.17	29.17
6.3) Chia Tai Lianyungang Co., Ltd. ⁽²⁾	Investment	Hong Kong	32.41	32.41
6.4) Lianyungang Chia Tai Agro-industry Development Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	22.69	22.69
6.5) Plenty Type Limited ⁽²⁾	Investment	Cayman Islands	32.41	32.41
7) Russia Baltic Pork Invest ASA (7.1 to 7.8 are subsidiaries of Russia Baltic Pork Invest ASA)	Investment	Norway	69.70	69.70
7.1) Farm Construction Limited Liability Company	Swine farm construction	Russia	69.70	69.70
7.2) Finagro ASP	Financial service	Denmark	69.70	69.70
7.3) Kornevo Limited Liability Company	Retail food processing products	Russia	69.70	69.70
7.4) M.I.R. Closed Joint Stock Company	Property lease-out	Russia	69.70	69.70
7.5) NNPP Limited Liability Company	Livestock farming	Russia	69.70	69.70
7.6) Penza Agri Invest Limited Liability Company	Livestock farming	Russia	69.70	69.70
7.7) Penza Land Invest Limited Liability Company	Property lease-out	Russia	69.70	69.70
7.8) Pravdinsk Pig Production Closed Joint Stock Company	Livestock farming	Russia	69.70	69.70

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

- (1) In the process of liquidation
- (2) The Company has the power to govern those companies.
- (3) Operations wound up
- (4) Disposed the entity in the first quarter of 2014
- (5) Disposed the entity in the third quarter of 2014

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 the following new and revised TFRS relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TIC 15	Operating Leases - Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets - Web Site Costs

The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies, which did not have any material effect on the financial performance or position of the Group, as disclosed in note 3 to the financial statements.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2015 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 42 to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for significant 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 10	Measurement of biological assets
Notes 11 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

3 Change in accounting policy

(a) Overview

From 1 January 2014, consequent to the adoption of new and revised TFRS as set out in note 2 to the financial statements, the Group has adopted its accounting policy for the accounting for determining whether an arrangement contains a lease.

Other issued and revised TFRS did not have any impact on the accounting policies, financial position and performance of the Group. Details of the new accounting policy adopted by the Group are included in notes 3(b) to the financial statements.

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

(b) Accounting for determining whether an arrangement contains a lease

From 1 January 2014, the Group has adopted TFRIC 4 - *Determining whether an Arrangement contains a Lease*.

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases that should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 to be applied to classify and account for the lease.

Management has reviewed and determined that the adoption of TFRIC 4 has no material impact on the financial position or performance of the Group.

4 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 jointly-controlled entities.

Business combinations

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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 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. Otherwise, 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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that 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

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for new types of investment depending on the level of influence retained.

Associates and jointly-controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly-controlled entities are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates or jointly-controlled entities, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate or jointly-controlled entities together with any long-term interests, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or agree to make payments on behalf of an associate or jointly-controlled entities. The Group will recognise share of losses, not more than the obligations they have to an associate or jointly-controlled entities.

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 jointly-controlled entities 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.

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

(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.

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.

(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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

(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.

(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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 jointly-controlled entities

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

Available-for-sale investments

Available-for-sale investments are investments in marketable equity securities that are non-subsidiaries 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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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, plant and equipment

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

(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.

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 - 30	years
Buildings and constructions	2 - 60	years
Building improvements and leasehold improvements	2 - 30	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 4 (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 is included in the carrying amount of the investment in associates.

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

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
Trademark	4.5 - 10	years and indefinite useful life

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

Termination benefits

Termination benefits are recognised in profit or loss when the Group is committed demonstrably, without realistic possibility of withdrawal or a formal detail plan to terminate employment before the normal retirement date and the obligation can be estimated reliably.

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.

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

(u) Revenue

Revenue excluding value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

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.

(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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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.

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

5 Business combination by acquisition of shares and partial disposal of interest in subsidiary

5.1 Share acquisition of Tops Foods NV (“Tops Foods”)

On 8 January 2014 the Company’s Board of Directors passed a resolution to approve CPF Europe S.A. (“CPF EU”), a 99.99% indirectly owned subsidiary, to acquire ordinary shares of Tops Foods which is incorporated in Belgium, whose main business is the production and distribution of chilled and ambient ready-to-eat foods. The total value of the transaction is EUR 9.3 million or Baht 416 million.

The Group obtained control of Tops Foods through the acquisition of 5,503 ordinary shares (equal to 80.02% of Tops Foods’ total issued and paid-up shares) on 20 January 2014 (“Acquisition date”).

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2012) *Business Combinations* to recognise the business combination transaction. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration

	<i>(Unit: million Baht)</i>
	Fair value
Cash	416

Identifiable assets acquired and liabilities assumed

	<i>(Unit: million Baht)</i>
	Fair value
Cash and cash equivalents	8
Accounts receivable - trade and others	58
Inventories	57
Other current assets	8
Property, plant and equipment	618
Intangible assets	17
Borrowings	(233)
Accounts payable - trade and others	(53)
Other current liabilities	(20)
Deferred tax liabilities	(121)
Net assets	339
Non-controlling interests of the acquire (based on their proportionate interest in the recognised amount of the identifiable assets and liabilities of the acquiree)	(68)
Group’s ownership interest	271
Goodwill	145
Consideration transferred	416
Cash received from acquisition of subsidiary	(8)
Net consideration paid for acquisition of subsidiary	408

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

The factors contributing to the goodwill are the high potential from the production base expansion of ready-to-eat food into the European continent and the synergy benefits from the modern technology with high standards which increases the operating efficiency and potential of the Group. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statement of income for the year ended 31 December 2014 includes operating results of Tops Foods for the period from 20 January 2014 to 31 December 2014. Significant details are as follows:

	<i>(Unit: Million Baht)</i> For the year ended <u>31 December 2014</u>
Revenue from sale of goods	462
Loss for the period attributable to equity holders of the Company	(24)

5.2 Share acquisition of Hefei Chia Tai Co., Ltd. (“HCT”)

On 24 February 2014 the Company’s Board of Directors passed a resolution to approve Chia Tai (China) Investment Company Limited (“CTCI”), a 75.01% indirectly owned subsidiary (percentage of shareholding as at 24 February 2014) to acquire the entire investment in HCT which is incorporated in China, from Chia Tai (China) Agro-Industrial Limited, a related company.

The main business of HCT is production and sale of animal feed in China. The total amount of the transaction is Renminbi 220 million or Baht 1,173 million.

CTCI obtained control of HCT through the acquisition of 100.00% of HCTs’ total issued and paid-up capital which equaled to 74.62% interest by the Group as at 13 March 2014 (“Acquisition date”).

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2012) *Business Combinations* to recognise the business combination transaction. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration

	<i>(Unit: Million Baht)</i> Fair value
Cash	<u><u>1,173</u></u>

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

Identifiable assets acquired and liabilities assumed

	<i>(Unit: Million Baht)</i>
	Fair value
Cash and cash equivalents	12
Accounts receivable - trade and others	21
Inventories	142
Other current assets	106
Plant and equipment	156
Other intangible assets	658
Leasehold rights prepayment	89
Accounts payable - trade and others	(79)
Income tax payable	(10)
Other current liabilities	(224)
Deferred tax liabilities	(197)
Net assets	674
Goodwill	499
Consideration transferred	1,173
Cash received from acquisition of subsidiary	(12)
Net consideration paid for acquisition of subsidiary	1,161

As at 31 December 2014 the Group has completed the assessment of the final fair value of the net assets acquired and the acquisition accounting has been revised by the increase in intangible assets of Baht 658 million, increase in deferred tax liabilities of Baht 165 million, and decrease in goodwill of Baht 493 million.

The factors contributing to the goodwill are the high potential from the feed business base expansion in China and further reinforcement of the Group's leading position in the feed industry in China. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statement of income for the year ended 31 December 2014 includes operating results of HCT for the period from 13 March 2014 to 31 December 2014. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2014
Revenue from sale of goods	1,931
Profit for the period attributable to equity holders of the Company	43

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

5.3 Share acquisition of Kaifeng Chia Tai Co., Ltd. (“Kaifeng”)

On 10 July 2014 the extraordinary general meeting of the shareholders of the Company had a resolution to approve Chia Tai (China) Investment Co., Ltd. (“CTCI”), a 74.62% indirectly owned subsidiary (percentage of shareholding as at 10 July 2014) to acquire the entire investment in Kaifeng Chia Tai Co., Ltd. (“Kaifeng”) which is incorporated in China, from Chia Tai (China) Agro-Industrial Limited, a related company.

The main business of Kaifeng is production and sale of animal feed. The total amount of transaction is Renminbi 311 million or Baht 1,615 million.

CTCI obtained control of Kaifeng through the acquisition of 100.00% of Kaifeng’s total issued and paid-up capital which equaled to 74.18% interest by the Group as at 5 August 2014 (“Acquisition date”).

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2012) *Business Combinations* to recognise the business combination transaction. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration

	<i>(Unit: Million Baht)</i>
	Fair value
Cash	1,615

Identifiable assets acquired and liabilities assumed

	<i>(Unit: Million Baht)</i>
	Fair value
Cash and cash equivalents	55
Accounts receivable - trade and others	107
Inventories	251
Other current assets	81
Plant and equipment	185
Other intangible assets	656
Leasehold rights prepayment	209
Other non-current assets	9
Borrowings	(260)
Accounts payable - trade and others	(58)
Income tax payable	(4)
Other current liabilities	(192)
Deferred tax liabilities	(205)
Net assets	834
Goodwill	781
Consideration transferred	1,615
Cash received from acquisition of subsidiary	(55)
Net consideration paid for acquisition of subsidiary	1,560

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

As at 31 December 2014 the Group has completed the assessment of the final fair value of the net assets acquired and the acquisition accounting has been revised by the increase in intangible assets of Baht 656 million, increase in deferred tax liabilities of Baht 164 million, and decrease in goodwill of Baht 492 million.

The factors contributing to the goodwill are the high potential from the feed business base expansion in China and further reinforcement of the Group's leading position in the feed industry in China. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statement of income for the year ended 31 December 2014 includes operating results of Kaifeng for the period from 5 August 2014 to 31 December 2014. Significant details are as follows:

	<i>(Unit: Million Baht)</i> For the year ended <u>31 December 2014</u>
Revenue from sale of goods	1,606
Profit for the period attributable to equity holders of the Company	35

If the acquisitions of Tops Foods, HCT and Kaifeng had occurred on 1 January 2014, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the year ended 31 December 2014 would have been as follows:

	<i>(Unit: Million Baht)</i> For the year ended <u>31 December 2014</u>
Revenue from sale of goods	428,016
Profit for the period attributable to equity holders of the Company	10,614

5.4 Partial disposal of the investment in C.P. Pokphand Co., Ltd. ("CPP") without a change in control

On 23 July 2014 the Company's board of directors passed a resolution to approve the Company and CPF Investment Limited ("CPFI"), a 100.00% directly owned subsidiary, to sell 6,017,959,308 ordinary shares of CPP, a subsidiary of the Group that is a listed company on the Hong Kong Stock Exchange (equal to 25.00% of CPP's total issued and paid-up ordinary shares or 23.76% of CPP's total issued and paid-up shares) to ITOCHU Corporation, a listed company on the Tokyo Stock Exchange, at the selling price of HKD 1.10 per share, for a total consideration of HKD 6,620 million or approximately Baht 27,258 million. After the completion of the transaction, the Company and CPFI will hold 50.43% of CPP's total issued and paid-up shares (or 47.83% of CPP's total issued and paid-up ordinary shares). The share disposal was completed on 18 September 2014. The Group recognised a decrease in the Group's ownership interest in CPP of Baht 24,309 million, an increase in non-controlling interests of the same amount and recorded a gain of Baht 4,130 million in "Surplus from change in equity in subsidiaries" in the consolidated statement of financial position as at 31 December 2014.

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

The following summarises the effect of the change in the Group's ownership interest in CPP:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2014
Group's ownership interest before the disposal	75,894
Effect of decrease in Group's ownership interest	(24,309)
Group's ownership interest on the disposal date	51,585

6 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 39.13% of the Company's voting rights as of the latest closing date of shareholder register book on 29 August 2014.

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

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

6.1 Significant transactions with related parties for the years ended 31 December 2014 and 2013

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
(a)	Revenues				
	Significant influence entity				
	Gain on sale of investments	64	-	26	-
	Software application income	2	-	-	-
	Sale of goods	1	1	-	-
	Rental, service and other income	1	-	-	-
	Training and seminar income	1	-	-	-
	Subsidiaries				
	Dividend income	-	-	13,390	13,556
	Sale of goods	-	-	3,927	5,376
	Interest income	-	-	2,396	2,768
	Associates, jointly-controlled entities and related companies				
	Sale of goods	30,830	27,278	345	204
	Rental, service and other income	372	266	3	58
	Dividend income	59	15	38	10
	Software application income	30	54	-	-
	Training and seminar income	17	15	-	-
	Gain on sale of investments	15	1,264	-	-
	Interest income	12	21	5	-
	Gain on sale of equipment and others	-	3	1	1
(b)	Expenses and others				
	Significant influence entity				
	Purchase of raw materials and goods	7,841	6,914	1,693	1,388
	Technical service fees	1,526	1,215	41	38
	Trademark license fees	87	78	8	10
	Subsidiaries				
	Purchase of raw materials and goods	-	-	4,194	2,252
	Software application fees	-	-	227	218
	Rental and service fees	-	-	76	88
	Training and seminar fees	-	-	29	38
	Interest expense	-	-	3	5
	Other expenses	-	-	62	22

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

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
(b) Expenses and others (Continued)				
Associates, jointly-controlled entities and related companies				
Purchase of raw materials and goods	43,224	29,790	702	988
Construction costs of buildings, structures and others	1,944	1,533	475	513
Rental and service fees	1,192	1,316	385	427
Purchase of equipment and others	512	172	162	53
Insurance premium	262	306	110	112
Software application fees	54	30	-	-
Trademark license fees	36	31	-	-
Interest expenses	21	9	-	-
Other expenses	1,148	803	165	116

6.2 Investment and divestment transactions

6.2.1 The Group invested in related companies as disclosed in note 5 to the financial statements.

6.2.2 The Group divested of related companies as follows:

6.2.2.1 Disposal of investment in IP (Thailand) Co., Ltd. (“IP”)

On 28 January 2014 the Company’s Board of Directors passed a resolution to approve the Company to dispose the entire investment in IP totaling 9,999,997 ordinary shares (equal to 99.99% of total issued and paid-up shares of IP) to Charoen Pokphand Group Co., Ltd. for total consideration of Baht 51 million. Gains on sales of investments in the consolidated and separate financial statements amounted to Baht 64 million and Baht 26 million respectively.

6.2.2.2 Disposal of investment in Rapid Thrive Limited (“Rapid Thrive”)

At the extraordinary general meeting of the shareholders of the Company held on 10 July 2014, the Company’s shareholders had a resolution to approve C.P. Pokphand Co., Ltd. (“CPP”), a 74.62% directly and indirectly owned subsidiary (percentage of shareholding as at 10 July 2014) to dispose of its entire investment in Rapid Thrive Limited (“Rapid Thrive”), a 100.00% directly owned subsidiary of CPP, to CT Bright Holdings Limited, a related company, for a total consideration of USD 49.5 million or approximately Baht 1,586 million. After the completion of the disposal, Rapid Thrive and its subsidiaries will no longer be indirect subsidiaries of the Company. The disposal was completed on 15 July 2014. Gains on sales of investments in the consolidated financial statements amounted to Baht 15 million.

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

6.3 Balances with related parties as at 31 December 2014 and 2013 were as follows:

6.3.1 Accounts receivable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Significant influence entity	2	1	-	-
Subsidiaries	-	-	1,665	1,814
Associates and jointly- controlled entities	2,370	2,395	17	28
Related companies	3,821	3,735	94	89
Total	6,193	6,131	1,776	1,931

6.3.2 Short-term loans

(Unit: Million Baht)

	Consolidated financial statements			
	<u>Outstanding balance</u>		<u>Average balance</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Jointly-controlled entities	-	147	19	201
Total	-	147	19	201

(Unit: Million Baht)

	Separate financial statements			
	<u>Outstanding balance</u>		<u>Average balance</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Subsidiaries	19,733	17,970	18,514	23,554
Total	19,733	17,970	18,514	23,554

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 2014 and 2013 was as follows:

(Unit million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functional currencies of each company in the Group	-	147	19,198	11,154
Foreign currencies				
- United States Dollar	-	-	-	6,516
- Euro	-	-	369	-
- Ruble	-	-	166	300
Total	-	147	19,733	17,970

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

6.3.3 Accrued dividend income

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	2014	2013
Jointly-controlled entity	95	46	-	-
Subsidiaries	-	-	3,902	1,125
Total	95	46	3,902	1,125

6.3.4 Accrued interest income

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	2014	2013
Subsidiaries	-	-	89	100
Total	-	-	89	100

6.3.5 Long-term loans

	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	Outstanding balance		Average balance	
	2014	2013	2014	2013
Subsidiaries	16,957	18,853	18,099	17,412
<i>Less current portion</i>	<i>(120)</i>	<i>(1,443)</i>		
Net	16,837	17,410		

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 2014 and 2013 was as follows:

	<i>(Unit : Million Baht)</i>	
	Separate	
	2014	2013
Thai Baht	10,000	11,250
Foreign currencies		
- United States Dollar	5,943	5,908
- Ruble	1,014	1,695
Total	16,957	18,853

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

6.3.6 Accounts payable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Significant influence entity	670	488	46	46
Subsidiaries	-	-	115	215
Associates and jointly- controlled entities	399	259	-	-
Related companies	4,112	1,324	136	125
Total	5,181	2,071	297	386

6.3.7 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2014	2013	2014	2013
Jointly-controlled entities	211	77	77	32
Related company	184	156	183	150
Total	395	233	260	182

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2014	2013	2014	2013
Subsidiaries	-	-	95	130
Total	-	-	95	130

The Company computes the average balance from the outstanding balances of short-term borrowings at the end of each month excluding accrued interest expense.

6.3.8 Long-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2014	2013	2014	2013
Related company	-	23	-	43
<i>Less</i> current portion	-	(23)	-	-
Net	-	-	-	-

The Company computes the average balance from the outstanding balances of long-term borrowings at the end of each month excluding accrued interest expense.

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

6.4 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 December 2014 and 2013 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 (%)	
	2014	2013	2014	2013	2014	2013
Short-term loans to jointly-controlled entities	-	147	-	-	-	4.45
Short-term borrowings from jointly-controlled entities and related company	211	-	184	233	4.63	6.34
Long-term borrowings from related company	-	-	-	23	-	5.00
	Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2014	2013	2014	2013	2014	2013
Short-term loans to subsidiaries	369	6,516	19,364	11,454	7.50	7.38
Long-term loans to subsidiaries	16,837	18,660	120	193	5.37	5.62

6.5 Key management personnel compensation

Key management personnel compensation consist of:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>For the year ended 31 December</i>				
Short-term employee benefits	514	519	204	216
Post-employment under defined benefit plans	13	13	4	3
Total	527	532	208	219
<i>As at 31 December</i>				
Employee benefit obligations	284	280	82	80
Total	284	280	82	80

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

6.6 Commitments

As at 31 December 2014 and 2013 the Group had commitments with related parties as follows:

6.6.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, purchase of machinery and others	570	629	172	240

6.6.2 Commitments under operating lease agreements

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Within one year	915	792	352	361
Over one year but within five years	1,474	1,404	268	447
Over five years	276	122	-	-
Total	2,665	2,318	620	808

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 2015 to 2020.

6.7 Significant agreements

As at 31 December 2014 the Group had the following significant agreements with related parties.

6.7.1 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 2014 to 31 December 2014. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2015 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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

6.7.2 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 2014 to 31 December 2014. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2015 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.

6.7.3 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 2014 to 31 December 2014. The subsidiary has extended the agreement for an additional period until 31 December 2019 with the same conditions and fee rates.

6.7.4 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 2013 to 30 June 2015.

6.7.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd. had 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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

7 Cash and cash equivalents

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash at financial institutions and on hand	26,135	14,202	13,696	1,396
Highly liquid short-term investments	7,417	5,255	-	-
Total	33,552	19,457	13,696	1,396

The currency denomination of cash and cash equivalents as at 31 December 2014 and 2013 was as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Functional currencies of each company in the Group	19,053	14,625	536	1,396
Foreign currencies				
- United States Dollar	14,098	2,720	13,160	-
- Renminbi	215	1,377	-	-
- Euro	24	414	-	-
- Hongkong Dollar	24	25	-	-
- Norway Krone	24	-	-	-
- Swedish Krona	19	36	-	-
- Pound Sterling	10	30	-	-
- Other	85	230	-	-
Total	33,552	19,457	13,696	1,396

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

8 Accounts receivable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
<i>Note</i>		2014	2013	2014	2013
	Related parties	6,193	6,131	1,776	1,931
	Other parties	19,308	18,736	2,628	2,878
	Total	25,501	24,867	4,404	4,809
	<i>Less</i> allowance for doubtful accounts	(548)	(627)	(64)	(89)
	Net	24,953	24,240	4,340	4,720
	Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the year ended 31 December	6	113	(1)	17

The outstanding balances of the problem accounts receivable - trade and others as at 31 December 2014 and 2013 classified by aging were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
	Periods over credit terms:				
	Over 3 months to 6 months	12	41	-	-
	Over 6 months to 12 months	12	73	-	-
	Over 12 months	526	644	64	89
	Total	550	758	64	89

The currency denomination of accounts receivable - trade and others as at 31 December 2014 and 2013 was as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
	Functional currencies of each company in the Group	21,862	20,599	2,308	2,347
	Foreign currencies				
	- United States Dollar	1,788	2,213	876	971
	- Won	691	627	235	156
	- Singapore Dollar	381	383	-	1
	- Euro	98	277	409	477
	- Yen	70	129	40	178
	- Sweden Krona	46	-	-	-
	- Pound Sterling	5	3	18	234
	- Renminbi	-	-	359	269
	- Australian Dollar	-	-	58	26
	- Ruble	-	-	31	54
	- Other	12	9	6	7
	Total	24,953	24,240	4,340	4,720

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

9 Inventories

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Raw materials	26,336	30,355	2,140	2,123
Chemicals and supplies	1,803	1,284	191	158
Work in progress	1,225	883	118	121
Finished goods	13,539	13,233	1,900	1,964
Inventories in transit	6,457	3,027	-	97
Total	49,360	48,782	4,349	4,463
<i>Less</i> allowance for decline in value of inventories adjusted to net realisable value	(324)	(313)	(148)	(185)
Net	49,036	48,469	4,201	4,278

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2014 amounted to Baht 288,507 million (2013: Baht 280,588 million) in the consolidated statement of income and Baht 19,017 million (2013: Baht 22,634 million) in the separate statement of income.

In 2014 the Group and the Company recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 324 million and Baht 148 million respectively (2013: Baht 313 million and Baht 185 million respectively) and recognised a recovery of allowance for decline in value of inventories of Baht 313 million and Baht 185 million respectively (2013: Baht 211 million and Baht 68 million respectively).

10 Biological assets

Movements for the years ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
At 1 January	27,605	24,500	1,266	1,254
Increase due to business combination	-	524	-	-
Increase due to purchase/raise	121,668	106,048	11,579	9,349
Decrease due to sales/harvest	(118,704)	(104,046)	(11,211)	(9,103)
Gain on change in fair value less cost to sell	338	524	-	-
Currency translation differences	(585)	435	-	-
Other	(349)	(380)	(262)	(234)
Balance at 31 December	29,973	27,605	1,372	1,266

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

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<i>Current biological assets</i>				
Livestock	22,229	20,272	-	-
Aquatic	2,149	2,153	1,372	1,266
Total current biological assets	<u>24,378</u>	<u>22,425</u>	<u>1,372</u>	<u>1,266</u>
<i>Non-current biological assets</i>				
Livestock	5,595	5,180	-	-
Total non-current biological assets	<u>5,595</u>	<u>5,180</u>	<u>-</u>	<u>-</u>
Grand total	<u>29,973</u>	<u>27,605</u>	<u>1,372</u>	<u>1,266</u>

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.

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. Depreciation expenses of breeders totaling Baht 4,640 million and Baht 90 million were recognised in the consolidated and separate statements of income for the year ended 31 December 2014 respectively (2013: Baht 4,351 million and Baht 107 million respectively).

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2014 is as follows:

	<i>(Unit: Tons)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Livestock	546,430	510,765	-	-
Aquatic	18,730	17,000	5,354	3,879

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.

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

11 Available-for-sale investments

Movements for the years ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2014	2013
At 1 January	1,909	2,455
Changes in fair value	1,377	(537)
Acquisitions/additional investments	638	-
Disposals	-	(9)
At 31 December	3,924	1,909

Details of available-for-sale investments

Available-for-sale investments as at 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>					
	Ownership interest (both direct and indirect)		Consolidated financial statements		Separate financial statements	
	(%)		2014	2013	2014	2013
	2014	2013	2014	2013	2014	2013
Marketable securities						
- at fair value						
True Corporation Public Company Limited - at cost	1.43	1.74	2,148	1,510	-	-
Changes in fair value			1,776	399	-	-
Total			3,924	1,909	-	-

12 Investments in subsidiaries

Movements during the years ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
At 1 January	-	-	87,565	85,421
Acquisitions/additional investments	-	-	2	2,503
Proceeds from liquidation of subsidiaries	-	-	-	(20)
Disposals	-	-	(19,124)	-
Impairment losses	-	-	-	(339)
At 31 December	-	-	68,443	87,565

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

	Separate financial statements											
	Ownership interest (%)		Paid-up capital		Cost method		Accumulated impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Marketable security												
C.P. Pokphand Co., Ltd.	4.98	23.55	7,973	7,883	5,191	24,290	-	-	5,191	24,290	553	609
Total			5,191	24,290	5,191	24,290	-	-	5,191	24,290	553	609
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	-	-
CPF (Thailand) Public Company Limited	99.98	99.98	7,008	7,008	11,883	11,882	-	-	11,883	11,882	7,357	2,102
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	5,400	10,845
Chester Food Co., Ltd.	99.99	99.99	80	80	450	450	-	-	450	450	80	-
IP (Thailand) Co., Ltd.	-	99.99	-	25	-	25	-	-	-	25	-	-
C.P. Aquaculture (Beihai) Co., Ltd.	100.00	100.00	602	602	602	602	-	-	602	602	-	-
C.P. Aquaculture (Dongfang) Co., Ltd.	100.00	100.00	494	494	494	494	-	-	494	494	-	-
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-

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

Details of investments in subsidiaries and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up capital		Cost method		Accumulated impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
C.P. Standart Gida Sanayi ve Ticaret A.S.	8.57	15.00	6,452	4,146	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.	16.01	48.80	2,289	1,663	1,394	1,394	(938)	(938)	456	456	-	-
Charoen Pokphand Foods Philippines Corporation	37.50	37.50	2,890	2,890	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	36,929	36,929	36,929	36,929	-	-	36,929	36,929	-	-
CPF Tanzania Limited	58.25	99.99	224	129	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	-	1	-	-	-	-	-	1	-	-	-
Total			64,190	64,213	64,213	64,213	(938)	(938)	63,252	63,275	12,837	12,947
Grand Total			69,381	88,503	88,503	88,503	(938)	(938)	68,443	87,565	13,390	13,556

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.

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

13 Investments in associates

Movements during the years ended 31 December 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	2014	2013
At 1 January	40,833	30,764	335	828
Share of profit of associates	4,133	4,313	-	-
Dividend income from associates	(3,122)	(3,050)	-	-
Equity in associates	-	(362)	-	-
Acquisition/additional investments	12,507	13,505	-	-
Disposals	(2,156)	(4,033)	-	(493)
Elimination of gains on sales of investments	-	(583)	-	-
Currency translation differences	(140)	279	-	-
At 31 December	52,055	40,833	335	335

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

Details of investments in associates and dividend income

Investments in associates as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Marketable security														
CP ALL Public Company Limited	33.27	31.76	8,983	8,983	41,150	30,531	46,847	35,848	-	-	46,847	35,848	2,608	2,666
Total		41,150	30,531	46,847	35,848	46,847	35,848	35,848	-	-	46,847	35,848	2,608	2,666
Non-marketable securities														
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	162	161	-	-	162	161	-	-
Ross Breeders Siam Co., Ltd.	49.99	49.99	70	70	35	35	88	89	-	-	88	89	20	27
Arbor Acres Thailand Co., Ltd.	49.98	49.98	4	4	2	2	211	211	-	-	211	211	47	55
BHJ Kalino Food AB ("BHJ")*	15.08	-	5	-	24	-	28	-	-	-	28	-	-	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	689	621	-	-	689	621	-	-
C.P. Cambodia Co., Ltd. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	25.00	25.00	2,103	1,446	493	493	787	693	-	-	787	693	82	-
	49.75	49.75	353	353	176	176	1,525	1,583	-	-	1,525	1,583	-	-

(Unit: Million Baht)

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

Details of investments in associates and dividend income (Continued)

(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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Conti Chia Tai International Limited	25.21	37.50	767	767	1,052	1,052	1,231	1,208	-	-	1,231	1,208	261	256
Zhan Jiang Deni Carburetor Co., Ltd.**	14.12	21.00	581	581	424	424	487	419	-	-	487	419	104	46
Total			2,541	2,517	2,517	2,517	5,208	4,985	-	-	5,208	4,985	514	384
Grand total			43,691	33,048	33,048	52,055	40,833	40,833	-	-	52,055	40,833	3,122	3,050

* BHI 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 BHI 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 C.P. Pokphand Co., Ltd. (“CPP”), 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.

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

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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<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	-	-	335	335	-	-

The Company 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 2014 the fair value of this investment was Baht 126,266 million (2013: Baht 119,137 million).

During 2014, certain subsidiaries sold the investments in an associate with the carrying amount of Baht 2,156 million with a gain on sale of investments amounting to Baht 4,530 million.

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

The following is summarised financial information of the associates as at 31 December 2014 and 2013:

(Unit: Million Baht)

	Total assets	Total liabilities	Total revenues	Net profit
2014				
C.P. ALL Public Company Limited	326,410	291,352	371,301	10,154
Nava 84 Co., Ltd.	648	1	5	4
Ross Breeders Siam Co., Ltd.	223	47	295	37
Arbor Acres Thailand Co., Ltd.	509	88	570	93
BHJ Kalino Food AB	124	85	956	18
C.P. Aquaculture (India) Private Limited	2,969	737	7,117	245
C.P. Cambodia Co., Ltd.	4,592	2,009	8,253	739
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	5,834	2,768	11,044	64
Conti Chia Tai International Limited	4,491	1,835	11,315	703
Zhan Jiang Deni Carburetor Co., Ltd.	4,138	1,903	4,993	1,008
Total	349,938	300,825	415,849	13,065
2013				
C.P. ALL Public Company Limited	288,666	255,658	284,670	10,537
Nava 84 Co., Ltd.	643	1	4	4
Ross Breeders Siam Co., Ltd.	206	28	269	49
Arbor Acres Thailand Co., Ltd.	515	92	523	99
C.P. Aquaculture (India) Private Limited	2,882	922	4,339	261
C.P. Cambodia Co., Ltd.	4,031	1,693	6,966	276
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	6,057	2,876	11,159	126
Conti Chia Tai International Limited	1,933	725	5,366	300
Zhan Jiang Deni Carburetor Co., Ltd.	1,049	630	999	109
Total	305,982	262,625	314,295	11,761

Contingent liabilities relating to the investments in associates as at 31 December 2014 and 2013 were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2014	2013
Group's share of the investees' contingent liabilities	302	2

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

14 Investments in jointly-controlled entities

Movements during the years ended 31 December 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	financial statements	2014
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
At 1 January	5,266	3,282	-	-
Share of profit of jointly-controlled entities	736	634	-	-
Dividend income from jointly-controlled entities	(284)	(256)	-	-
Acquisition/additional investments	-	1,200	-	-
Disposals	(1,483)	-	-	-
Currency translation differences	(41)	406	-	-
At 31 December	<u>4,194</u>	<u>5,266</u>	<u>-</u>	<u>-</u>

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Details of investments in jointly-controlled entities

Investments in jointly-controlled entities as at 31 December 2014 and 2013 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Non-marketable securities														
CP-Meiji Co., Ltd.	59.99	59.99	500	500	1,200	1,200	1,229	1,189	-	-	1,229	1,189	-	-
("CP-Meiji")*														
Beijing Chia Tai Feedmill Co., Ltd.	25.21	37.50	157	157	128	128	129	151	-	-	129	151	71	31
Handan Chia Tai Feed Co., Ltd.	25.21	37.50	56	56	(8)	(8)	18	16	-	-	18	16	-	-
Jilin Chia Tai Enterprise Co., Ltd.	25.21	37.50	261	261	211	211	234	246	-	-	234	246	-	-
Henan East Chia Tai Co., Ltd.	25.21	37.50	170	170	225	225	242	252	-	-	242	252	82	99
Luoyang Northern Ek Chor Motorcycle Co., Ltd.**	-	41.26	-	1,773	-	1,379	-	1,500	-	-	-	1,500	131	126
ECI Metro Investment Co., Ltd.	25.21	37.50	378	378	1,296	1,296	2,342	1,912	-	-	2,342	1,912	-	-
Total			3,052	4,431	4,194	4,194	5,266	5,266	-	-	4,194	5,266	284	256

* CP-Meiji is a jointly-controlled entity because the articles of association of the Company specify that each investor has joint control over significant financial and operating decisions.

** Luoyang Northern Ek Chor Motorcycle Co., Ltd. is a jointly-controlled entity of Rapid Thrive Limited. The Group disposed of the investment in Rapid Thrive Limited in the third quarter of 2014 (See note 6.2.2.2 to the financial statements).

The Group accounts for investments in jointly-controlled entities using the equity method in the consolidated financial statements.

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

The following is summarised financial information of the jointly-controlled entities as at 31 December 2014 and 2013:

(Unit : million Baht)

	Current assets	Non- current assets	Total assets	Current liabilities	Non- current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/ (loss)
2014									
CP-Meiji Co., Ltd.	1,573	3,761	5,334	2,538	1,569	4,107	6,333	(6,253)	80
Beijing Chia Tai Feedmill Co., Ltd.	492	147	639	370	-	370	2,530	(2,419)	111
Handan Chia Tai Feed Co., Ltd.	57	33	90	52	-	52	413	(406)	7
Jilin Chia Tai Enterprise Co., Ltd.	399	377	776	187	131	318	1,157	(1,185)	(28)
Henan East Chia Tai Co., Ltd.	740	250	990	485	-	485	2,918	(2,747)	171
ECI Metro Investment Co., Ltd.	6,099	1,251	7,350	2,637	-	2,637	18,521	(17,705)	816
Total	9,360	5,819	15,179	6,269	1,700	7,969	31,872	(30,715)	1,157
2013									
CP-Meiji Co., Ltd.	1,610	3,667	5,277	2,390	1,727	4,117	2,474	(2,492)	(18)
Beijing Chia Tai Feedmill Co., Ltd.	217	72	289	138	-	138	1,389	(1,321)	68
Handan Chia Tai Feed Co., Ltd.	27	19	46	31	-	31	159	(163)	(4)
Jilin Chia Tai Enterprise Co., Ltd.	224	203	427	113	68	181	685	(675)	10
Henan East Chia Tai Co., Ltd.	408	136	544	292	-	292	1,329	(1,248)	81
Luoyang Northern Ek Chor Motorcycle Co., Ltd.	1,998	735	2,733	1,188	45	1,233	3,494	(3,385)	109
ECI Metro Investment Co., Ltd.	3,652	681	4,333	2,420	-	2,420	10,245	(9,865)	380
Total	8,136	5,513	13,649	6,572	1,840	8,412	19,775	(19,149)	626

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

Contingent liabilities and commitments relating to the investments in jointly-controlled entities as at 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	<u>2014</u>	<u>2013</u>
Group's share of the investees' commitments	58	340
Group's share of the investees' contingent liabilities	-	858

15 Investments in related companies

Movements during the years ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
At 1 January	1,546	1,504	678	678
Currency translation differences	3	42	-	-
At 31 December	<u>1,549</u>	<u>1,546</u>	<u>678</u>	<u>678</u>

Details of investments in related companies

Investments in related companies as at 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>		Consolidated financial statements		Separate financial statements	
	Ownership interest (both direct and indirect) (%)		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>2014</u>	<u>2013</u>				
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	1,158	1,155	528	528
Total			<u>1,549</u>	<u>1,546</u>	<u>678</u>	<u>678</u>

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

16 Investment properties

Movements for the years ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<i>At cost</i>				
At 1 January	1,930	1,484	204	204
Additions	63	27	-	-
Disposal of investment	(592)	-	-	-
Transfers from property, plant and equipment	-	407	-	-
Transfer to property, plant and equipment	(46)	-	-	-
Transfers to assets held for sale	-	(4)	-	-
Reversal of impairment loss	-	7	-	-
Disposals	(5)	(1)	(4)	-
Depreciation	(126)	-	-	-
Currency translation difference	(55)	85	-	-
Other	-	(75)	-	-
At 31 December	1,169	1,930	200	204

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 1,990 million and Baht 608 million respectively (2013: Baht 2,658 million and Baht 615 million respectively).

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

Notes to the financial statements

17 Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Other	Assets under construction and installation	
Cost/revaluation						
At 1 January 2013	21,824	48,351	44,010	6,965	13,287	134,437
Additions	515	1,085	1,545	799	19,272	23,216
Acquired through business acquisition	290	1,741	661	19	203	2,914
Transfers	334	7,154	5,683	905	(13,671)	405
Transfers from investment properties	-	25	-	-	-	25
Increase from revaluation recognised in other comprehensive income	75	-	-	-	-	75
Transfer to investment properties	(377)	-	(64)	-	-	(441)
Transfers to assets held for sale	-	-	(21)	(2)	-	(23)
Disposals	(6)	(302)	(1,059)	(232)	-	(1,599)
Currency translation differences	11	1,357	1,368	412	606	3,754
At 31 December 2013 and 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	22,864	64,704	57,760	10,164	28,265	183,757

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

(Unit: Million Baht)

Consolidated financial statements						
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
<i>Accumulated depreciation and impairment losses</i>						
At 1 January 2013	-	(18,493)	(21,704)	(3,428)	-	(43,625)
Depreciation charge for the year	-	(2,714)	(3,929)	(948)	-	(7,591)
Reversal of impairment loss	-	8	-	-	-	8
Transfers	-	8	12	(262)	-	(242)
Transfers to investment properties	-	-	9	-	-	9
Transfers to assets held for sale	-	-	19	2	-	21
Disposals	-	200	948	203	-	1,351
Currency translation differences	-	(573)	(950)	(240)	-	(1,763)
At 31 December 2013 and 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	-	(23,893)	(29,277)	(6,126)	-	(59,296)
<i>Net book value</i>						
Owned assets	21,824	29,858	22,306	3,521	13,287	90,796
Assets under finance leases	-	-	-	16	-	16
At 1 January 2013	21,824	29,858	22,306	3,537	13,287	90,812
Owned assets	22,666	37,847	26,528	4,178	19,697	110,916
Assets under finance leases	-	-	-	15	-	15
At 31 December 2013 and 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	22,864	40,811	28,483	4,038	28,265	124,461

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

(Unit: Million Baht)

	Separate financial statements					
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
Cost/revaluation						
At 1 January 2013	4,497	10,142	9,811	1,023	2,064	27,537
Additions	36	25	277	75	2,813	3,226
Transfers	-	1,805	1,258	52	(3,118)	(3)
Disposals	-	(102)	(524)	(22)	-	(648)
At 31 December 2013 and 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	4,580	12,272	11,509	1,217	2,502	32,080
Accumulated depreciation and impairment losses						
At 1 January 2013	-	(5,103)	(5,277)	(731)	-	(11,111)
Depreciation charge for the year	-	(667)	(1,029)	(127)	-	(1,823)
Reversal of impairment loss	-	8	-	-	-	8
Disposals	-	92	488	21	-	601
At 31 December 2013 and 1 January 2014	-	(5,670)	(5,818)	(837)	-	(12,325)
Depreciation charge for the year	-	(789)	(1,096)	(125)	-	(2,010)
Reversal of impairment loss	-	(5)	(56)	-	-	(61)
Disposals	-	56	107	15	-	178
At 31 December 2014	-	(6,408)	(6,863)	(947)	-	(14,218)
Net book value						
Owned assets	4,497	5,039	4,534	292	2,064	16,426
At 1 January 2013	4,497	5,039	4,534	292	2,064	16,426
Owned assets	4,533	6,200	5,004	291	1,759	17,787
At 31 December 2013 and 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	4,580	5,864	4,646	270	2,502	17,862

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2014 amounted to Baht 49,748 million (2013: Baht 30,776 million) in the consolidated statement of financial position, and Baht 6,499 million (2013: Baht 5,402 million) in the separate statement of financial position.

Capitalised borrowing cost in 2014 of the Group and the Company was Baht 667 million (2013: Baht 436 million) and Baht 54 million (2013: Baht 35 million) respectively.

18 Goodwill

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<i>Cost</i>				
At 1 January	59,293	54,792	-	-
Acquired through business acquisition	1,425	628	-	-
Currency translation differences	(19)	3,873	-	-
At 31 December	60,699	59,293	-	-
<i>Impairment losses</i>				
At 1 January	-	-	-	-
Impairment loss	-	-	-	-
At 31 December	-	-	-	-
<i>Net book value</i>				
At 1 January	<u>59,293</u>	<u>54,792</u>	<u>-</u>	<u>-</u>
At 31 December	<u>60,699</u>	<u>59,293</u>	<u>-</u>	<u>-</u>

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

Notes to the financial statements

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 2013	332	5,058	5,390
Additions	16	142	158
Disposal	-	(87)	(87)
Currency translation differences	-	203	203
At 31 December 2013 and 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
Disposal	-	(21)	(21)
Currency translation differences	3	89	92
At 31 December 2014	478	6,901	7,379
<i>Accumulated amortisation</i>			
At 1 January 2013	(226)	(863)	(1,089)
Amortisation charge for the year	(9)	(692)	(701)
Disposal	-	21	21
At 31 December 2013 and 1 January 2014	(235)	(1,534)	(1,769)
Amortisation charge for the year	(36)	(781)	(817)
Transfers	-	(60)	(60)
Disposal	-	(18)	(18)
At 31 December 2014	(271)	(2,393)	(2,664)
<i>Net book value</i>			
At 1 January 2013	106	4,195	4,301
At 31 December 2013 and 1 January 2014	113	3,782	3,895
At 31 December 2014	207	4,508	4,715

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

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Other	Total
<i>Cost</i>			
At 1 January 2013	7	74	81
Additions	-	9	9
Transfers	-	3	3
At 31 December 2013 and 1 January 2014	7	86	93
Additions	-	6	6
At 31 December 2014	7	92	99
<i>Accumulated amortisation</i>			
At 1 January 2013	(4)	(28)	(32)
Amortisation charge for the year	(1)	(7)	(8)
At 31 December 2013 and 1 January 2014	(5)	(35)	(40)
Amortisation charge for the year	-	(9)	(9)
At 31 December 2014	(5)	(44)	(49)
<i>Net book value</i>			
At 1 January 2013	3	46	49
At 31 December 2013 and 1 January 2014	2	51	53
At 31 December 2014	2	48	50

The gross amount of the Group's and the Company's fully amortised intangible assets that was still in use as at 31 December 2014 amounted to Baht 445 million (2013: Baht 194 million) in the consolidated statement of financial position, and Baht 6 million (2013: Baht 5 million) in the separate statement of financial position.

20 Restricted deposits at financial institutions

As at 31 December 2014 certain subsidiaries had restricted deposits at financial institutions totaling Baht 2,054 million in order to comply with conditions for using credit facilities of foreign financial institutions (2013: Baht 1,202 million).

21 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2014 and 2013 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Deferred tax assets	3,815	2,896	2,604	1,704
Deferred tax liabilities	(5,677)	(4,517)	-	-
Net deferred tax assets (liabilities)	(1,862)	(1,621)	2,604	1,704

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements

Movements of deferred tax assets and liabilities during the year ended 31 December 2014 was as follows:

	Consolidated financial statements					<i>(Unit: Million Baht)</i>
	At 1 January 2014	Charged/Credited to Profit or loss	Other comprehensive income	Acquired in business combination	Currency translation differences	
Deferred tax assets (liabilities)						
Biological assets	(394)	(105)	-	-	4	(495)
Investments	(200)	(7)	(275)	-	(1)	(483)
Tax losses	3,107	770	-	-	(58)	3,819
Other intangible assets	(807)	161	-	(328)	(3)	(977)
Property, plant and equipment	(4,037)	67	-	(147)	36	(4,081)
Employee benefit obligations	912	75	(5)	-	(10)	972
Other	(202)	(405)	-	(48)	38	(617)
Net	(1,621)	556	(280)	(523)	6	(1,862)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements

Movements of deferred tax assets and liabilities during the year ended 31 December 2013 was as follows:

(Unit: Million Baht)

	Consolidated financial statements					At 31 December 2013
	At 1 January 2013	Charged/Credited to (Note 35)	Other comprehensive income	Acquired in business combination	Currency translation differences	
<i>Deferred tax assets (liabilities)</i>						
Biological assets	(304)	(66)	-	-	(24)	(394)
Investments	(277)	31	45	-	1	(200)
Tax losses	943	2,182	-	-	(18)	3,107
Other intangible assets	(917)	160	-	-	(50)	(807)
Property, plant and equipment	(4,102)	203	-	(32)	(106)	(4,037)
Employee benefit obligations	649	75	199	-	(11)	912
Other	(277)	69	-	-	6	(202)
Net	(4,285)	2,654	244	(32)	(202)	(1,621)

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

Movements of deferred tax assets and liabilities during the year ended 31 December 2014 was as follows:

	<i>(Unit: Million Baht)</i>		
	At 1 January 2014	Profit or loss	Other comprehensive income
			At 31 December 2014
Deferred tax assets (liabilities)			
Investments	1	-	1
Land	(319)	-	(319)
Employee benefit obligations	322	23	345
Tax losses	1,721	877	2,598
Other	(21)	-	(21)
Net	1,704	900	2,604

Movements of deferred tax assets and liabilities during the year ended 31 December 2013 was as follows:

	<i>(Unit: Million Baht)</i>		
	At 1 January 2013	Profit or loss	Other comprehensive income
			At 31 December 2013
Deferred tax assets (liabilities)			
Investments	1	-	1
Land	(319)	-	(319)
Employee benefit obligations	243	20	322
Tax losses	-	1,721	1,721
Other	(8)	(13)	(21)
Net	(83)	1,728	1,704

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

As at 31 December 2014 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 9,023 million (2013: Baht 7,884 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 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
At 1 January	4,866	4,237	-	-
Additions	440	400	-	-
Acquired through business acquisition	298	116	-	-
Transfer to other current assets	(5)	-	-	-
Amortisation	(192)	(183)	-	-
Decreases	(378)	(79)	-	-
Currency translation difference	10	375	-	-
At 31 December	5,039	4,866	-	-

23 Interest-bearing liabilities

	<i>Note</i>	<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Current					
Overdrafts		1,628	2,277	5	9
Bill of exchange		1,989	3,478	1,989	3,478
Promissory notes		9,112	14,790	-	-
Short-term borrowings from financial institutions		42,932	27,058	-	-
Packing credits		6,128	6,278	-	-
Liabilities under trust receipts		3,886	11,458	-	-
Short-term borrowing from other companies		-	141	-	-
Total		65,675	65,480	1,994	3,487
Short-term borrowings from jointly-controlled entities and related company	6	395	233	-	-

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

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		2014	2013	2014	2013
Current portion of long-term debts					
	Long-term borrowings from financial institutions	8,427	5,289	616	500
	Debentures	5,000	6,200	5,000	6,200
	Liabilities under finance leases	6	5	-	-
	Total	13,433	11,494	5,616	6,700
Current portion of long-term loan from related company					
6		-	23	-	-
	Total current	79,503	77,230	7,610	10,187
Non-current					
Long-term debts					
	Long-term borrowings from financial institutions and other companies	48,761	46,108	2,463	3,067
	Debentures	67,659	63,060	58,060	63,060
	Liabilities under finance leases	6	7	-	-
	Total	116,426	109,175	60,523	66,127
	Total non-current	116,426	109,175	60,523	66,127
	Grand total	195,929	186,405	68,133	76,314

The increase in long-term debts in 2014 was principally from the issue and offer of Exchangeable Bonds by a subsidiary. Details are as follows:

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 2014 the carrying amount of the EBs were USD 292 million or equivalent to Baht 9,599 million.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2014 CPFH lent to the Borrower approximately 28.9 million CPALL Shares. The fair value of these shares was Baht 1,221 million.

The currency denomination of interest-bearing liabilities as at 31 December 2014 and 2013 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	2014	2013
Functional currencies of each company in the Group	184,253	177,065	64,822	73,247
Foreign currencies				
- United States Dollar	10,137	7,592	3,311	3,067
- Euro	1,539	1,715	-	-
- Others	-	33	-	-
Total	195,929	186,405	68,133	76,314

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2014	2013	2014	2013
Within one year	79,498	77,225	7,610	10,187
After one year but within five years	83,671	70,563	33,023	30,127
After five years	32,748	38,605	27,500	36,000
Total	195,917	186,393	68,133	76,314

The Group has secured interest-bearing liabilities as at 31 December 2014 totaling Baht 38,160 million (2013: Baht 32,114 million). Value of assets used for secured interest-bearing liabilities totaled Baht 45,321 million (2013: Baht 40,621 million).

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

Long-term borrowings from financial institutions

As at 31 December 2014 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 2014</u>	<u>Interest rate (% per annum)</u>	<u>Term of payment</u>
Facility 1	U.S. Dollar 277.50 million	U.S. Dollar 200.66 million (equivalent Approximately Baht 6,604 million)	Floating interest rate at 3-month LIBOR plus 3.50% per annum	Every 6 months for 5 years
Facility 2	U.S. Dollar 462.50 million	U.S. Dollar 402.25 million (equivalent approximately Baht 13,238 million)	Floating interest rate at 3-month LIBOR plus 3.50% per annum for year 1 to year 5 and 3 month LIBOR plus 4.00% per Annum 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 2014 CPFI pledged 8,457 million shares of CPP with a fair value of Baht 30,869 million.

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

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 2014	Interest rate (% per annum)	Term of payment
U.S. Dollar 100.00 million	U.S. Dollar 99.63 million (equivalent approximately Baht 3,279 million)	Floating interest rate at 3-month BBA LIBOR plus 3.25% per annum	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 2014 CPFI pledged 1,234 million shares of CPP with a fair value of Baht 4,505 million.

Debentures

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Debentures #1/2009	3,000	6,200	3,000	6,200
Debentures #2/2009	1,000	1,000	1,000	1,000
Debentures #1/2010	1,000	1,000	1,000	1,000
Debentures #2/2010	5,000	8,000	5,000	8,000
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
Total	63,060	69,260	63,060	69,260
<i>Less current portion</i>	<i>(5,000)</i>	<i>(6,200)</i>	<i>(5,000)</i>	<i>(6,200)</i>
Net	58,060	63,060	58,060	63,060

* See note 39 to the financial statements

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Debenture # 1/2009

On 25 November 2009 the Company issued Baht 8.4 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2.2 billion with a term of 4 years, fully repaid on 25 November 2013 and bearing interest at the fixed rate of 3.90% per annum.
- The second series of Baht 3.2 billion with a term of 5 years, fully repaid on 25 November 2014 and bearing interest at the fixed rate of 4.30% per annum.
- The third series of Baht 3 billion with a term of 6 years, fully repayable on 25 November 2015 and bearing interest at the fixed rate of 4.80% per annum.

The debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 and were registered with the Thai Bond Market Association on 25 November 2009.

Debenture # 2/2009

On 22 December 2009 the Company issued Baht 1 billion unsubordinated and unsecured debentures in registered name form with a term of 5 years 5 months and 8 days, fully repayable on 30 May 2015 and bearing interest at the fixed rate of 4.40% per annum.

The debenture was registered with the Thai Bond Market Association on 22 December 2009.

Debenture # 1/2010

On 11 February 2010 the Company issued Baht 1 billion unsubordinated and unsecured debentures in registered name form with a term of 5 years 3 months and 19 days, fully repayable on 30 May 2015 and bearing interest at the fixed rate of 4.20% per annum.

The debentures were registered with the Thai Bond Market Association on 11 February 2010.

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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 and were registered with the Thai Bond Market Association on 3 November 2010.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 and were registered with the Thai Bond Market Association on 15 March 2012.

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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 and were registered with the Thai Bond Market Association on 3 August 2012.

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

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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 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 “AA-” latest updated by TRIS Rating Co., Ltd. on 20 June 2014 and were registered with the Thai Bond Market Association on 2 August 2013.

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

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		2014	2013	2014	2013
	Related parties	5,181	2,071	297	386
	Other parties	20,451	19,817	1,300	1,519
	Total	25,632	21,888	1,597	1,905

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

The currency denomination of accounts payable - trade and others as at 31 December 2014 and 2013 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functional currencies of each company in the Group	19,208	20,070	1,535	1,829
Foreign currencies				
- United States Dollar	5,997	1,461	62	57
- Euro	369	295	-	8
- Yen	8	23	-	11
- Other	50	39	-	-
Total	<u>25,632</u>	<u>21,888</u>	<u>1,597</u>	<u>1,905</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 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Present value of funded - defined benefit obligations	624	559	-	-
Fair value of plan assets	(21)	(42)	-	-
	603	517	-	-
Present value of unfunded - defined benefit obligations	6,082	5,748	1,894	1,762
Total	<u>6,685</u>	<u>6,265</u>	<u>1,894</u>	<u>1,762</u>

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

Movements in the present value of the defined benefit obligations and the fair value of plan assets for the year ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligations at 1 January	6,307	5,087	1,762	1,367
Benefits paid by the plans	(204)	(214)	(65)	(21)
Current service costs and interest	687	553	197	143
Defined benefit plan actuarial (gains) losses	(31)	1,003	-	295
Other	(53)	(122)	-	(22)
Defined benefit obligations at 31 December	6,706	6,307	1,894	1,762
Fair value of plan assets at 1 January	42	71	-	-
Expected return on plan assets	1	1	-	-
Contributions paid	21	22	-	-
Benefits paid by the plans	(42)	(53)	-	-
Currency translation differences	(1)	1	-	-
Fair value of plan assets at 31 December	21	42	-	-

Expenses or income recognised in the statement of income for the years ended 31 December 2014 and 2013 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service costs	426	366	123	95
Interest costs	261	187	74	48
Expected return on plan assets	(1)	(1)	-	-
Total	686	552	197	143

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

Expenses classified by function were recognised in the statements of income for the years ended 31 December 2014 and 2013 as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cost of sales of goods	277	258	94	67
Selling expenses	86	65	23	16
Administrative expenses	323	229	80	60
Total	<u>686</u>	<u>552</u>	<u>197</u>	<u>143</u>
Actual return on plan assets	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

Actuarial gains (losses) recognised in other comprehensive income for the years ended 31 December 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Included in retained earnings:				
At 1 January	(668)	136	(236)	-
Recognised during the year	31	(804)	-	(236)
At 31 December	<u>(637)</u>	<u>(668)</u>	<u>(236)</u>	<u>(236)</u>

Principal actuarial assumptions at 31 December 2014 and 2013 were as follows:

	Consolidated		<i>(Unit: %)</i>	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Discount rate	1.75 - 9.10	1.75 - 9.20	4.20	4.20
Return on plan assets	1.75	1.75	-	-
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.

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

26 Share capital

	<i>Par value per share (in Baht)</i>	<i>(Unit: Million Shares/Million Baht)</i>			
		Consolidated financial statements/		Separate financial statements	
		2014		2013	
		Number of shares	Baht	Number of shares	Baht
<i>Authorised</i>					
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
<i>Issued and paid-up</i>					
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		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
Ordinary shares of the Company held by subsidiaries	1,135	1,135	-	-

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.

Equity in subsidiaries and associates

Equity in subsidiaries and associates consist of:

- The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.
- The changes in interest of net assets of associates.
- Revaluation differences on assets of associates.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 livestock 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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2014 and 2013 and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	<u>Livestock business</u>		<u>Aquaculture business</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Statements of income						
Revenue from sale of goods	357,889	328,026	68,150	61,225	426,039	389,251
Operating profit	<u>22,707</u>	<u>11,855</u>	<u>(2,147)</u>	<u>(4,391)</u>	20,560	7,464
Central income (expenses), net					1,682	5,280
Finance costs					(8,880)	(7,937)
Net foreign exchange gain (loss)					(353)	(219)
Share of profit of associates and jointly-controlled entities					4,869	4,947
Income tax expense					<u>(3,649)</u>	<u>(133)</u>
Profit for the year					<u>14,229</u>	<u>9,402</u>
Assets						
Property, plant and equipment and intangible assets (excluded goodwill), net	<u>94,791</u>	<u>82,554</u>	<u>33,025</u>	<u>30,911</u>	127,816	113,465
Central assets, net					1,360	1,361
Other assets					<u>287,588</u>	<u>250,177</u>
Total					<u>416,764</u>	<u>365,003</u>

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

Information about geographical areas

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.

The Group comprises the following main information about geographical areas:

- Area 1 : Thailand
- Area 2 : Asia
- Area 3 : Europe
- Area 4 : America
- Area 5 : Other

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December 2014 and 2013 and for the years then ended were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements			
	Revenue from external customers		Property, plant and equipment and intangible assets (excluded goodwill) and central assets	
	2014	2013	2014	2013
Thailand	148,284	134,260	55,521	52,184
Asia	235,084	216,158	65,599	52,596
Europe	35,749	31,171	7,963	9,972
America	5,847	4,047	34	34
Other	1,075	3,615	59	40
Total	426,039	389,251	129,176	114,826

Information about major customer

In 2014 and 2013, there was no single external customer that contributed 10% or more of the Group's total revenue.

30 Selling expenses

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Employee benefit expenses	8,409	7,209	655	644
Vehicle and traveling expenses	2,725	2,254	97	100
Advertising and sale promotion expenses	1,722	1,467	24	40
Transportation expenses	1,711	1,414	-	1
Office expenses	1,328	1,468	73	49
Building and equipment rental fees	1,053	1,014	92	85
Depreciation and amortisation	958	895	6	6
Other	847	654	18	31
Total	18,753	16,375	965	956

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

31 Administrative expenses

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Employee benefit expenses	13,536	11,922	2,323	2,322
Office expenses	3,357	2,310	473	485
Public relationship expenses	1,565	1,256	181	301
Depreciation and amortisation	1,527	1,051	121	106
Vehicle and traveling expenses	956	901	82	96
Taxes, government and bank fees and other	773	529	33	23
Professional fees	735	559	128	144
Building and equipment rental fees	345	544	88	68
Other	1,291	1,516	222	510
Total	24,085	20,588	3,651	4,055

32 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totaling Baht 527 million and Baht 208 million in the consolidated and separate statements of income for the year ended 31 December 2014 respectively (2013: Baht 532 million and Baht 219 million respectively).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totaling Baht 41,111 million and Baht 6,530 million in the consolidated and separate statements of income for the year ended 31 December 2014 respectively (2013: Baht 37,619 million and Baht 6,474 million respectively).

33 Expenses by nature

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Changes in inventories of finished goods, work in progress and biological assets	(2,592)	(3,684)	(38)	(286)
Raw materials and consumables used	299,893	286,605	15,928	16,717
Employee benefit expenses	41,638	38,151	6,738	6,693
Factory and office expenses	30,522	28,696	6,565	6,256
Depreciation and amortisation	9,965	9,043	2,019	1,835
Transportation expenses	7,940	7,111	520	572
Vehicle and traveling expenses	4,617	4,084	321	345
Building and equipment rental fees	4,068	3,791	608	597
Advertising, public relationship and sale promotion expenses	3,409	2,839	223	361
Taxes, government and bank fees	1,125	1,023	47	40
Professional fees	827	659	128	144
Others	10,185	9,039	306	759
Total cost of sales of goods, selling expenses and administrative expenses	411,597	387,357	33,365	34,033

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

Notes to the financial statements

34 Finance costs

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Finance cost paid to:				
Subsidiaries	-	-	3	5
Jointly-controlled entities	2	-	-	-
Related company	19	-	-	-
Other parties	8,859	7,937	3,359	3,438
Total	8,880	7,937	3,362	3,443

35 Income tax expense (income)

Income tax recognised in profit and loss

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<i>Current tax</i>				
Current year	4,241	2,940	34	40
Under (over) provided in prior years	(36)	(153)	2	-
	4,205	2,787	36	40
<i>Deferred income tax</i>				
Movements in temporary differences	214	(472)	(23)	(7)
Benefit of tax losses recognised	(770)	(2,182)	(877)	(1,721)
	(556)	(2,654)	(900)	(1,728)
Income tax expense (income) excluding income tax distribution to equity holders	3,649	133	(864)	(1,688)

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

Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
Fair value changes on investments	1,377	(275)	1,102	(536)	45	(491)
Currency translation differences	(5,976)	-	(5,976)	6,587	-	6,587
Defined benefit plan actuarial gains (losses)	36	(5)	31	(1,003)	199	(804)
Total	(4,563)	(280)	(4,843)	5,048	244	5,292

(Unit: Million Baht)

	Separate financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
Defined benefit plan actuarial losses	-	-	-	(295)	59	(236)
Total	-	-	-	(295)	59	(236)

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

Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Consolidated financial statements				
	0%	10%	20%	Other	Total
2014					
Accounting profit before income tax, net	243	957	4,661	12,018	17,879
Tax at the applicable tax rates	-	96	932	2,376	3,404
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	(56)	(36)
Net	-	452	497	2,700	3,649
2013					
Accounting profit before income tax, net	(1,278)	(233)	5,384	5,662	9,535
Tax at the applicable tax rates	-	(23)	1,077	1,921	2,975
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	23	(1,954)	(758)	(2,689)
Under (over) provided in prior years	-	-	12	(165)	(153)
Net	-	-	(865)	998	133

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

Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Separate financial statements		
	0%	20%	Total
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)
2013			
Accounting profit before income tax, net	(1,157)	6,343	5,186
Tax at the applicable tax rates	-	1,269	1,269
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(2,957)	(2,957)
Net	-	(1,688)	(1,688)

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014 respectively. 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.

The Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

- (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 2014 and 2013 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	
	2014	2013	2014	2013	2014	2013
Local sales	4,295	4,766	17,650	13,021	21,945	17,787
Export sales	190	1,182	4,763	7,152	4,953	8,334
Total revenue from sale of goods	4,485	5,948	22,413	20,173	26,898	26,121
Other income	1	3	17,900	16,537	17,901	16,540
Total revenues	4,486	5,951	40,313	36,710	44,799	42,661
<i>Less costs and expenses</i>	<i>(4,642)</i>	<i>(7,108)</i>	<i>(31,221)</i>	<i>(28,679)</i>	<i>(35,863)</i>	<i>(35,787)</i>
Profit for the year	(156)	(1,157)	9,092	8,031	8,936	6,874

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 2014 and 2013 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	
	2014	2013	2014	2013
Profit for the year attributable to ordinary shareholders of the Company	10,562	7,065	8,936	6,874
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at beginning of year	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)	1.43	0.96	1.15	0.89

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

38 Dividends

Details of dividends for the years ended 31 December 2014 and 2013 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
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	
2013				
24 April 2013	0.41	7,742,941,932	3,174	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
24 April 2013	0.09	7,742,941,932	697	Profit from operations which were exempted from corporate income tax
8 August 2013	0.25	7,742,941,932	1,936	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
Total			5,807	

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

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 2014 and 2013 and the periods in which the loans receivable mature were as follows:

	Average interest rates (% per annum)	(Unit: Million Baht)			
		Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2014					
Current					
Short-term loans to jointly-controlled entities	-	-	-	-	-
Total		-	-	-	-
2013					
Current					
Short-term loans to jointly-controlled entities	4.45	147	-	-	147
Total		147	-	-	147

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

(Unit: Million Baht)

	Average interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
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
2013					
Current					
Short-term loans to subsidiaries	7.38	17,970	-	-	17,970
Current portion of long-term loans to subsidiaries	5.75	1,443	-	-	1,443
Non-current					
Long-term loans to subsidiaries	5.61	-	17,410	-	17,410
Total		19,413	17,410	-	36,823

The interest rates of interest-bearing liabilities as at 31 December 2014 and 2013 and the periods in which those liabilities mature were as follows:

(Unit: Million Baht)

	Interest rates (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
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 jointly control entities 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

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

(Unit: Million Baht)

	Interest rates (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2013					
Overdrafts	7.38 - 10.31	2,277	-	-	2,277
Short-term borrowings from financial institutions	0.76 - 13.00	63,062	-	-	63,062
Short-term borrowings from jointly control entities and related company	3.00 - 8.00	233	-	-	233
Short-term borrowings from other companies	15.00	141	-	-	141
Long-term borrowings from financial institutions and other companies	1.47 - 16.00	5,289	43,503	2,605	51,397
Long-term borrowings from related company	5.00	23	-	-	23
Debentures	3.24 - 5.42	6,200	27,060	36,000	69,260
Finance lease liabilities	0.10 - 21.88	5	7	-	12
Total		77,230	70,570	38,605	186,405

(Unit: Million Baht)

	Interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
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

2013					
Overdrafts	MOR	9	-	-	9
Short-term borrowings from financial institutions	2.81 - 2.97	3,478	-	-	3,478
Long-term borrowings from financial institutions	4.11 - 4.36	500	3,067	-	3,567
Debentures	3.24 - 5.42	6,200	27,060	36,000	69,260
Total		10,187	30,127	36,000	76,314

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 2014 the Group had long-term borrowings under interest rate swap agreements totaling Baht 29,775 million (2013: Baht 32,105 million). The above average interest rates are interest rates after adjusted with rates stipulated in the interest rate swap agreements.

As at 31 December 2014, 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 at 3.75% in USD for the principal amount of USD 200 million and the counterparty has commitments to make payments for the fixed interest rate at 4.69% 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 100 million to be Baht 3,082 million. The Company has commitments to make payments for the fixed interest rate at 4.11% in Baht for the principal amount of Baht 3,082 million and the counterparty has commitments to make payments for the interest rate at USD-LIBOR-BBA + 2.35% in USD for the principal amount of USD 100 million.
- 3) A foreign subsidiary has entered into interest rate swap agreements with certain financial institutions for long-term borrowings totaling USD 603 million (equivalent approximately to Baht 19,842 million). The subsidiary has commitments to make payments for the fixed interest rates under the terms and conditions of the agreements (4.40% - 4.58% per annum) and the counterparty has commitments to make payments for the interest rate at USD-LIBOR-BBA + 3.50%.
- 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 29 million to be PHP 1,200 million. The subsidiary has commitments to make payments for the fixed interest rate at 6.40% in Peso and the counterparty has commitments to make payments for the interest rates at USD-3M-LIBOR-BBA + 3.00% in USD for the first year to the third year; and USD-3M-LIBOR-BBA + 3.25% in USD for the fourth year and fifth year.

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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

At 31 December 2014 and 2013 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		2014	2013	2014	2013	
Accounts receivable - trade and others						
Foreign currencies	United States Dollar	55	69	27	31	
	Won	23,195	20,975	7,875	5,155	
	Singapore Dollar	16	15	-	-	
	Euro	2	6	10	11	
	Ruble	-	-	57	57	
	Pound Sterling	-	-	-	5	
	Yen	259	401	147	555	
	Swedish Krona	11	-	-	-	
	Australian Dollar	-	-	2	1	
	Rand	2	2	2	2	
	Renminbi	-	-	69	52	
	Currency forwards	United States Dollar	58	63	42	46
		Won	23,195	20,975	7,875	5,155
		Singapore Dollar	16	15	-	-
Euro		-	-	10	11	
Ruble		-	-	56	48	
Pound Sterling		-	-	-	5	
Yen		259	401	147	555	
Australian Dollar		-	-	2	1	
Rand		2	2	2	2	
Renminbi		-	-	69	52	
Short-term loans to subsidiaries						
Foreign currencies	United States Dollar	-	-	-	200	
	Ruble	-	-	300	300	
	Euro	-	-	9	-	
Currency forwards	Euro	-	-	9	-	
Long-term loans to subsidiaries						
Foreign currencies	United States Dollar	-	-	200	200	
	Ruble	-	-	1,703	1,703	
Currency forward	United States Dollar	-	-	200	200	
	Ruble	-	-	953	953	
Interest-bearing liabilities						
Foreign currencies	United States Dollar	310	237	100	100	
	Euro	39	38	-	-	
Currency forward	United States Dollar	100	135	100	100	

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

Notes to the financial statements

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Accounts payable - trade and others					
Foreign currencies	United States Dollar	182	45	2	2
	Euro	9	7	-	-
	Yen	29	72	-	34
Currency forwards	United States Dollar	241	7	1	1
	Euro	3	2	-	-
	Yen	29	70	-	34
Forecast sales					
Currency forwards	United States Dollar	78	165	7	60
	Pound Sterling	21	37	-	2
	Euro	12	17	1	4
	Yen	742	1,001	41	172
	Singapore Dollar	14	13	-	-
	Won	3,216	4,217	382	10
	Hongkong Dollar	18	15	-	-
	Danish Krone	12	24	-	-
	Australian Dollar	2	4	-	-
	Renminbi	3	5	-	1
Forecast purchases					
Currency forwards	United States Dollar	28	64	6	1
	Euro	4	1	-	1
	Yen	32	71	-	-
	Danish Krone	1	1	-	-
	Australian Dollar	-	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.

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.

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

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 amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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, which are held for trading and available-for-sales, are determined by reference to their quoted bid price at the reporting date.

The fair value of forward exchange contracts approximates the expected amounts that can be traded in the current exchange rate market.

The fair value of long-term debts and long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

40 Commitments with non-related parties

As at 31 December 2014 and 2013 the Group had commitments with non-related parties as follows:

40.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<i>Contracted but not provided for</i>				
Land, buildings and constructions	5,455	4,117	16	13
Machinery, equipment and others	6,743	3,016	69	85
Total	12,198	7,133	85	98

40.2 Commitments under operating lease agreements

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Within one year	2,688	2,265	229	220
Over one year but within five years	6,569	5,471	204	295
Over five years	9,327	8,184	12	33
Total	18,584	15,920	445	548

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 2015 to 2058.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

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 which will expire on 31 December 2015. 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 2014 totaled Baht 32 million (2013: Baht 15 million).

40.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totaling Baht 174 million and Baht 895 million respectively (2013: Baht 41 million and Baht 2,105 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 1,351 million and Baht 5,100 million respectively (2013: Baht 51 million and Baht 6,577 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 1,693 million (2013: Baht 591 million).

41 Guarantees

As at 31 December 2014 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 9,691 million shares with a fair value of Baht 35,374 million (31 December 2013: 9,691 million ordinary shares with a fair value of Baht 31,515 million).
- (b) Pravdinsk Pig Production Closed Joint Stock Company totaling 51,000 shares with a carrying value of Baht 177 million (31 December 2013: 100,000 ordinary shares with a carrying value of Baht 681 million).
- (c) Finagro ASP totaling 550 shares with a carrying value of Baht 184 million (31 December 2013: 550 ordinary shares with a carrying value of Baht 327 million).
- (d) NNPP Limited Liability Company with an authorised share capital of Baht 131 million (31 December 2013: nil).

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

41.2 Property, plant and equipment with net book value of Baht 6,046 million (31 December 2013: Baht 5,406 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 3,409 million (31 December 2013: Baht 2,692 million).

42 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 2015.

TFRS	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Properties
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

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

TFRS	Topic
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners

The impact of the adoption of such revised TFRS and interpretations from 1 January 2015 on the Group's financial statements is still under consideration by management.

43 Reclassification of accounts

Certain accounts in the statement of financial position for the year 2013 have been reclassified to conform to the presentation in the statement of financial position for the year 2014 as follows:

(Unit: million Baht)

	2013					
	Consolidated financial statement			Separate financial statement		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication	Before reclassi- fication	Reclassi- fication	After reclassi- fication
Statement of financial position						
Accrued dividend income	-	46	46	-	-	-
Other current assets	3,310	(46)	3,264	-	-	-
Accrued expenses	6,306	1,060	7,366	-	-	-
Other current liabilities	8,328	(1,060)	7,268	-	-	-
Surplus from change in equity in subsidiaries	102	(102)	-	-	-	-
Surplus from change in equity in subsidiaries and associates	-	(69)	(69)	-	-	-
Other components of equity	8,838	171	9,009	-	-	-
		<u>-</u>			<u>-</u>	
Statement of income						
Selling expenses	17,121	(746)	16,375	-	-	-
Administrative expenses	19,842	746	20,588	-	-	-
		<u>-</u>			<u>-</u>	



Charoen Pokphand Foods Public Company Limited

313 C.P. Tower Building, Silom Road,
Bangrak, Bangkok 10500, Thailand
Tel. : 66 2625 8000
Fax : 66 2638 2139
www.cpfworldwide.com