



With vision to be
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The Company at a Glance

Charoen Pokphand Foods Public Company Limited and its subsidiaries or “CPF Group” is the leading agro-industrial and food conglomerate in Thailand. The greater part of the Company production bases is in Thailand and some operate overseas. Its market capitalization, as of December 31, 2007 was approximately THB 34,592 million.

With vision to be “**Kitchen of the World**”, the Company is committed to fulfill the longing of quality food products that are nutritious, hygienic and with food safety integrity from consumers, whose satisfaction and habit have change from time to time.

Apart from maintaining its leading position in animal feed business, the Company also strives to be leader in meat and food business both in Thailand and in overseas countries where it has vested interest and operate with aim to achieve acceptable operating profit. The Company conducts business with environment friendliness, with focus on research and development, people development, responsibility to social at large and posts a good corporate governance practices. All these are to strengthen its business to ensure sustainable growth and ability to compete internationally.

The Company’s core business divides into 2 main business lines: (1) the livestock business and (2) the aquaculture business. The livestock operations include chicken broiler, chicken layer, duck, and swine. For aquaculture business, the two main marine animals are shrimp and fish. The products in each of these 2 business lines can be classified into 3 main categories, namely 1) animal feed, 2) animal breeder, 3) meat (including live animal), cooked meat and ready-to-eat food products.

In 2007, the Company reported consolidated sales of THB134,809 million, which comprises of 66% from domestic sales of Thailand operations, 18% from export revenues of Thailand operations, and the other 16% from overseas operations. The net profit of 2007 is at THB 1,275 million or THB 0.18 per share The dividend declaration for the whole year 2007 of THB 0.085 per share.

Quick Facts

(As of December 31, 2007)

Head Office	C.P. Tower, 313 Silom Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	Main (662) 625-8000 Corporate Secretary Office (662) 625-8353-4 Investor Relations (662) 638-2935-6 Facsimile Number (662) 638-2942
Web Address	http://www.cpf.co.th
Business Category	Agro-industrial and Foods
Legal Status	A public limited company registered in Thailand
Registration Number	0107537000246
Registered Capital	THB 8,206.7 million
Paid-up Capital	THB 7,519.94 million (all in ordinary shares)
Par Value	THB1.00 per share
Subsidiaries	58 companies (Brief information is shown on page 102)
Trading Symbol on the SET	CPF for ordinary shares CPF09NA for debentures No. 1/2004 Series 2 CPF086A for debentures No. 1/2005 Series 1 CPF106A for debentures No. 1/2005 Series 2 CPF097A for debentures No. 1/2006 Series 1 CPF117A for debentures No. 1/2006 Series 2 CPF100A for debentures No. 1/2007 Series 1 CPF120A for debentures No. 1/2007 Series 2 (Brief information of debentures is shown at “www.cpf.co.th” under section of Investor Relations)



Financial Highlights in the Past 3 Years

(in THB million)

Consolidated Financial Statements	2005	2006	2007
Net sales	113,374	124,931	134,809
Thailand operations			
• Livestock – domestic sales	58,714	64,962	64,523
• Livestock – export sales	12,182	13,310	14,653
• Aquaculture – domestic sales	18,273	21,891	24,710
• Aquaculture – export sales	9,320	9,388	9,019
Overseas operations			
• Livestock	12,329	9,993	14,622
• Aquaculture	2,556	5,387	7,282
Net profit	6,747	2,510	1,275
Earning per share (THB)	1.10*	0.35	0.18
Total assets	89,098	95,735	102,546
Total liabilities	45,309	53,055	58,331
Interest bearing debts	33,090	40,218	44,278
Shareholders' equity	43,789	42,680	44,215
Issued and paid-up capital	7,520	7,520	7,520
Par value per share (THB)	1	1	1
Book value (THB per share)	6.1	5.9	6.2

*Earning per share of 2005 is calculated from the net profit divided by number of weighted average issued and paid-up shares during the year, and net of the treasury shares of 146.77 million shares.

Message from the Board of Directors

Charoen Pokphand Foods Public Company Limited is a Thai company operating in the agri and food industry with commitment to producing quality food products to meet the demand and requirements of the world consumers. The Company is aware of the ever changing global demand and consumer behavioral patterns. Consumers all over the world want quality products and expect world-class standard service.

The year 2007 was another year that businesses in the agri and food industry had faced fierce competition worldwide. There were many factors such as the ever-rising production costs particularly raw material and ingredients used in the production of animal feed; the other was the continuous rise in the price of oil. It is imperative that the Company adopts strategies and implements plans to cope with these changes in the playing field. We are addressing all aspects to meet these challenges efficiently and producing effective and positive results.

Though Thai baht currency has been strengthening nonstop against the US dollar since end of 2006, this foreign exchange situation impacted our operations and caused our company performance in 2007 to be lower than projection. Regardless, the Company had implemented strategy of diversifying investments overseas, especially to countries with high economic growth. This had yielded satisfactory results and increased total company sales turnover to THB 134,809 million, an increase of 8% over 2006.

In this twenty-first century and the era of globalization, the Company has demonstrated its readiness to steadfastly meet new challenges and competition with core values in the following areas – continuous development of organization competency, personnel and human resources, corporate governance, corporate social responsibility, sanitation, safety, health and wellness, and work environment of our employees. In addition, our work philosophy is based on customer centric. The growth of our business has to go hand-in-hand with that of our customers. All units of our operations have to be concerned with social aspect and the community for the sustainable growth.

On behalf of the Board of Directors, I thank you our trading partners for the continued support given through the years. I thank you our shareholders for the trust and confidence in the Company and look forward to receiving continued trust and supports in the years to come.



A handwritten signature in black ink, appearing to read 'Dhanin Chearavanont', written over a light blue horizontal line.

Dhanin Chearavanont
Chairman of the Board
On behalf of the Board of Directors



Message from the President

Company Performance

Major factors in the year 2007 which impacted the agri and food industry of Thailand include the rising cost of raw materials used in the production of animal feeds, which is indirectly resulted from the higher global demand of alternative energy. That rising demand has enhanced the usage of agri products such as corn, soybean meal (which are the major raw materials for animal feed production), in alternative energy production, in stead. In addition, the ever growing non-tariff trade barriers of importing countries, and the strengthening of the Thai baht currency partly from the unpleasant economic situation of the United States are all impact the Thailand operations of Charoen Pokphand Foods Public Co., Ltd and its subsidiaries. The revenues from this operation in 2007 totaled THB 112,905 million, equivalent to 3% growth over 2006 but lower than target set. Moreover, with the average domestic meat price that was lower than the level of 2006 has made the Thailand operation reported operating profit of Baht 1,239 million, 71% decline from the previous year.

However, our overseas operations in Turkey, India, Malaysia and China has shown a growth performance. Business strategy set to specifically fit each country's potentials and capabilities coupled with the recovery of poultry business from the Avian flu epidemic in Turkey contributed to CPF Group's overseas sales revenue to reach THB 21,904 million, a 42% growth over 2006. Resulted from that sales growth with higher gross profit, this operations has reported THB 1,640 million in its operating profit, or 1,722% increase over the prior year.

With the performance of both operations above, the Group consolidated sales is reported at THB 134,809 million, 8% increase from 2006. The consolidated operating profit and the net profit are at THB 2,879 million and THB 1,275 million, 34% and 49% lower from 2006 consecutively.

Major Events

In October 2007 CPF issued THB 6,000 million Thai baht bond to repay loan and to keep the balance for working capital. This bond was divided into two tranches - the first tranche at THB 3,500 million with 3-year maturity and fixed interest rate of 4.25 per annum and the second tranche at THB 2,500 million with 5-year maturity and fixed interest rate of 4.90 per annum.

In 2007 CPF set up subsidiaries in China and the Philippines. In addition, the Company subsidiaries in other countries acquired trading companies in the United Kingdom on an expansion plan of distributing processed meat and food into the European Union.

Business Outlook

There has been the price control policy implemented by the Ministry of Commerce in early year of 2008. Some of the Company's products are under the control lists, while the production cost has been in the upward trend from the higher raw materials price. The Company and other players in the industry, who have been impacted by this policy, have requested to adjust the products' price. But there is no expectation of when the approval shall be made. In order to minimize the risk of the government's price control policy, the Company has posted the cautious investment policy on the Thailand Operations. However, the Company will continue to place emphasis on expanding overseas operations and new countries in areas with high potential such as Ukraine.



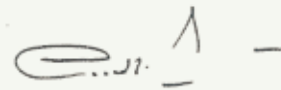
On the meat export front, the Company anticipates higher growth with rising demand from importing countries for quality products with food safety integrity of the Group.

However, in 2008 it is expected that non-tariff trade barrier will remain an important issue. In addition the continued rising production cost in farming and processing and higher fuel cost than 2007 with the expected stronger Thai baht will all remain factors that will impact performance of the agri and food industry. All players need to adjust themselves along with those mentioned factors. The Company has continuously implemented plans to increase production efficiency and invested in research and development in all areas to add value to production and reduce cost. Producing biogas from manure and fuel energy from frying oil used in production are just some examples of our valuation to production.

Human resources development and the increase efficiency of all supporting units will remain our emphasis, just as important as corporate social responsibility. This is important in ensuring our sustainable growth and to become a major player in the international agri and food arena.

Last but not least, the Company is committed to continuous and lasting growth which would yield appropriate return to shareholders. We realize the importance of good corporate governance. Our management and staff are dedicated to create highest value to the Company. We will work wholeheartedly to make the company strong and to become the "Kitchen of the World."

The Company wishes to thank all its shareholders and bondholders for the trust, support, and suggestions given. We thank you our trading partners and financial institutions and look forward to receiving continued cooperation and support in the future.



Adirek Sripratak
President and Chief Executive Officer



Operations in Brief

Thailand Operations

Livestock business

Operations of the livestock business are fully integrated. The livestock business covers broiler, layer, swine and duck. The products can be divided into 3 main categories, namely 1) animal feed, 2) animal breeder and 3) meat and food products, with detail as follows:

■ Animal Feed

The Company is the leader and pioneer in the manufacture and distribution of livestock feed. The Company produces livestock feed in the forms of concentrate, powder and pellets for broilers, layers, swine and duck. The livestock feed is distributed by more than 600 sales representatives throughout the country.

In addition, a portion of the livestock feed is sold directly to large animal farms in Thailand. Agriculture products such as corn, soybean meal and broken rice are used in the production of livestock feed under fully computerized formulation and production processes to ensure consistent quality as required. The Company has a system to randomly check the quality of raw materials and products. Quality control at different stages of production helps raise confidence in the quality of the Company's products.

As the leader in the business, the Company's products are well-known among customers. Therefore, an important marketing strategy is maintaining high product quality as well as continually providing excellent customer service. For the past year, the company focused more on promotion due to more obstacles in the feed industry. In the case where selling prices need to be adjusted, approval must be granted by the Department of Internal Trade, the Ministry of Commerce.

■ Animal Breeder

The Company is the leader in the research and development of natural animal breeds. The goal is to obtain quality breeds that are disease-free, suitable to the breeding environment in Thailand. The Company produces parent stock broiler chicks, parent stock layer chicks, parent stock swine, broiler chicks, layer chicks, layers and piglets for distribution to animal farms and domestic sales representatives.

As the Company's operations are fully integrated, livestock breeding is part of a continuous production process. Grandparent stock used in livestock breeding are imported from abroad to breed parent stock which are then raised on the Company's farms. The Company's breeding farms, located in numerous provinces across the country, practice good farm management and use the evaporative cooling system.

The evaporative cooling system applies advanced technology to raise livestock and has proven to be an effective method to prevent and control disease, yielding quality products that are sought after in the market. The prices of livestock breeds depend on domestic demand and supply as well as the quality of the breeds.


■ Meat and Food Products

Products in this category can be further divided according to 2 types of production process, namely animal farming for commercial purposes and processing and manufacture of cooked food products. Details are as follows:



เกี้ยวน้ำซีพี เด็ดทั้งคู่



มีจำหน่ายที่  (โทร. 02-939-9090) และซูเปอร์มาร์เก็ตชั้นนำทั่วไป



(1) Animal Farming for Commercial Purposes

Products from animal farming for commercial purposes include live chicken, eggs, live ducks and live swine which are distributed to sales representatives throughout the country. The products are also distributed in surrounding local areas, to wholesalers and retailers, or to the Company's processing plants or other processing plants in Thailand. The selling prices fluctuate according to domestic demand and supply.

Research and Development is applied to continuously improve the farming process, making it suitable to the conditions in Thailand. The Company's farm management system also has an effective system to control and prevent diseases. This results in faster growth in animals, higher yields and minimizing costs.

In addition, the Company has an office across the country, which acts as centers providing technical information to farmers on how to properly raise animals to obtain fast growth as well as assistance with marketing and distribution.

The Company has a support program for the farming of swine and broiler. The Company selects farmers who have their own farm and farming equipment. Selected farmers receive support in the areas of animal breeds, animal feed, medication and farming knowledge from the Company.

The Company then undertakes to purchase all yield which meets the CPF standards. Most of the farmers participating in this program also use the evaporative cooling system.

(2) Processing and Manufacture of Cooked Food Products

In meat processing, broilers, ducks and swine from the Company's farms are brought to processing plants to be cut into meat parts according to customer specifications. The meat parts are then packaged, frozen and distributed as chilled and frozen meat products to wholesalers, domestic retailers and importers in various countries. The selling prices fluctuate according to demand and supply in the country and the world market. The selling prices are also determined by agreement if the products have been manufactured according to customer specifications. Furthermore, the Company adds more value to processed meat products to create cooked food products by flavoring and cooking through the process of boiling, steaming, frying, baking and grilling according to customer specifications. These products are then packaged, frozen and refrigerated, ready for distribution to wholesalers and retailers, fast food restaurants and modern trade outlets such as discount stores and supermarkets. Export products are distributed through importers in various countries, mainly countries in the European Union, Japan and Asian countries.

The selling prices of cooked food products distributed in Thailand and exported, for example frozen karaage chicken, frozen steamed chicken breast, chicken green curry with rice, egg tofu, meatballs and sausages, are determined by agreement with customers during the sell process. For ready meal products, the company insists on using CP brand to sell both in domestic market and export.

Aquaculture business

Operations of the aquaculture business are fully integrated. The aquaculture business includes mainly shrimp and some fish. The products can be classified into 3 main categories, namely 1) animal feed, 2) animal breeder and 3) meat and food products, with detail as follows:

■ Animal feed

The Company is the leader and pioneer in the production in Thailand and distribution of aquatic feed with the main product being shrimp feed. Aquatic feed is produced in the forms of concentrate, powder and pellets and distributed through sales representatives that are located in shrimp farming areas throughout the country. A portion of the feed is distributed directly to shrimp farms in Thailand. Agriculture products such as soybean meal, fishmeal and wheat flour are used in the production of aquatic feed under fully computerized formulation and production processes to ensure consistent quality as required. The Company has a system to randomly check the quality of raw materials and products. Quality control at different stages of production help raise confidence in the quality of the Company's products and ensure that the aquatic feed is suitable for shrimp and fish farming in Thailand, resulting in good feed conversion ratio. Farmers using the Company's aquatic feed produce higher yields than the industry average. As the leader in the business, the Company's products are well-recognized among customers. Therefore, an important marketing strategy is maintaining high product quality as well as continually providing excellent customer service. Customer service is enhanced by providing technical knowledge to sales representatives as well as directly to the farmers by organizing technical seminars, establishing centers to provide laboratory services and consultations to farmers, and distributing printed materials on news related to animal breeding. This will enable the aquatic farming industry to sustainability growth. The selling prices of aquatic feed fluctuate according to the cost of raw materials used. In the case where selling prices need to be adjusted, approval must be granted by the Department of Internal Trade, the Ministry of Commerce.

■ Aquatic Breeder

Aquatic breeds come from culture farms and hatcheries, with details as follow:

(1) Shrimp Culture Farms and Hatcheries

Following the Company's policy of supporting sustained growth and development in the shrimp industry, the Company has developed quality shrimp fry to distribute to farmers, which will increase their opportunity to successfully farm shrimp. In 2004, the Company entered into a joint venture with an American company with shrimp breeding expertise to develop shrimp fry that are suitable to the farming conditions in Thailand. The Company's culture farms and hatcheries are located in the shrimp farming areas in the eastern and southern regions of Thailand. The culture farms and hatcheries practice good farm management, apply advance technology to raise shrimp and fish and has an effective system to prevent and control disease, yielding quality products that are sought after in the market. The prices of shrimp fry depend on domestic demand and supply as well as the quality of the breeds.

(2) Fish Culture Farm and Hatcheries

The Company has developed fish breed to distribute fish fry to farmers, including the Tabtim fish fry, which was developed from Tilapia fish. In 2006, the Company also succeed in develop Morakot fish breed type, which was developed from Bassar fish.



The Company's fish culture farms and hatcheries, located in the central and northern regions of Thailand, have good farm management, incorporate modern technology and have an effective system to prevent and control disease, yielding quality products that are sought after in the market. The prices of fish fry depend on domestic demand and supply as well as the quality of the breeds.

■ Meat and Food Products

Products in this category can be further divided according to 2 types of production process, namely animal shrimp and fish farming for commercial purposes and processing and manufacture of cooked food products. Details are as follows:

(1) Farming for Commercial Purposes

The Company realizes the importance of traceability which has prompted the Company to expand its shrimp farming business, resulting in fully integrated operations that produce high quality for the Company's processing plants as well as other processing plants in Thailand.

In the management of the Company's shrimp farms, research and development and technology are applied to find ways to prevent the outbreak of disease in shrimp and farming methods, which are friendly to the environment and do not cause residue build-up. The Company promotes "Probiotic Farming" which avoids the use of drugs and chemicals.

2) Processing and Manufacture of Cooked Food Products

Products derived from processing are one of the important products in the meat and food products category of the aquaculture business. The main products are processed fresh shrimp and value-added processed shrimp, most of which are produced for export as chilled and frozen products and distributed through importers in various countries. The selling prices fluctuate according to demand and supply in the country and the world market. The selling prices are also determined by agreement if the products have been manufactured according to customer specifications. Furthermore, The Company has added value to processed shrimp, producing ready to eat cooked food products. Research and development in this area focuses on processing fresh shrimp into semi-cooked and cooked food products by flavoring and cooking through the process of boiling, steaming, frying baking, and grilling according to the specifications of customers. These products are then frozen and refrigerated, ready for distribution to wholesalers and retailers, and through modern retail outlets such as hypermarkets and supermarkets. Export products are distributed through importers in various countries, mainly the USA, Japan and countries in the European Union. Besides applying advance technology to ensure production meets international standards, the Company also places great importance on product safety and quality. The selling prices of food products under this category are determined by agreement with customers upon each sell.

Branding and distribution

The Company has moved to brand its own products launched both in Thailand and overseas. This strategy is to differentiate the products and encourage consumers' perception. Presently, the Company's meat and food products are distributed under CP and other brands such as BKP, BK Products, Thai Thai, Kitchen Joy, Vee Foods, Five Star Chicken, AQ Fresh, AA. Moreover, the CPF Group has enhanced its distribution channels. This includes its own distribution channels, such as the Outlet of Five Star Chicken, and CP Fresh Mart. In overseas, the Company has set up branch offices and sales representatives to enable proximity to customers and market in various countries, such as in Japan, Korea, Singapore, Hong Kong, South Africa, the United Kingdom, Belgium, France, Switzerland, Italy, German, Denmark, and the United States.

Raw Materials Sourcing for Feed Production

Since raw material cost accounted for approximately 40% of the Company's cost of good sold; therefore, the Company set up a team of purchasing experts especially to source raw materials for both livestock and aquatic feed production, providing the Company with a competitive edge. The large purchase volume creates bargaining power for the Company as well as helps the Company to save on transportation and related costs.

The Company's procurement policy places great emphasis on obtaining high quality raw materials that meet the usage requirements, as important as the traceability of its origin and production process, complying the international quality control standard.

In addition, procurement of raw materials produced in the country, especially around the area where the feedmill is located, is given first priority in order to support the country's farmers. In the case where local procurement is inadequate for production needs, whether due to insufficient supply or substandard quality, then raw materials are imported from abroad, with 29% of the raw material procurement imported from abroad. Furthermore, the company places significant importance on traceability, ensuring that the source and production processes of the raw materials meet international quality standards.

As the raw materials are commodity products, their prices fluctuate according to market demand and supply. Usually, domestic raw material prices are not much different from the price of imports.

Businesses related to domestic operations

The Company has established trading offices or set up joint ventures in trading business in many countries including the United States, Japan, Hong Kong, China, Belgium, England, and Denmark, so as to enable proximity to the market and customers. In addition, the Company set up subsidiaries to provide services to its business operations including information technology, training center and international trading.

Moreover, the Company set up subsidiaries to provide services to its business operations including information technology, training center and international trading.



Research and Development

Continuous research and development stand behind the Company's success as the leader in the agroindustrial and food industry. The Company's research teams comprise high caliber professionals who are highly regarded in Thailand's agriculture industry. They cooperate with other outside parties, including research institutes both in Thailand and overseas, specialists, customers and various public agencies, with the mutual objective of sustaining the industry, while having business adhering to environmental friendliness.

Aside from developments for the sustainability for the overall industry, the Company emphasizes product development to satisfy consumer requirements. Manufacturing food products to meet the differing regulations and standards of each customer throughout the world,

■ R&D in Animal Breeds

The Company's continuous research to improve animal breeds has proven to be strength in operating an integrated agriculture business and plays an important part in putting the Company on the world stage. The Company's emphasis is on improving and selecting breeds through natural means to obtain animal breeds that are suitable to the farming environment and in line with consumer needs. Research in this area also leads to efficiencies in breeding and good feed conversion rates, which enhance profitability.

■ R&D in Animal Feed Production

The Company has a team of researchers who study and develop animal feed production. They strive to produce quality animal feed with a good feed conversion rate and ultimately reduce production costs. Presently, the Company has brought in advanced technology, such as computerized control of the integrated production process, as well as an inventory system for raw materials and a production method that helps to reduce loss and damage.

■ R&D in Animal Farming

The Company has adopted advanced technology and modern farm management systems for implementation at every step of the farming process, including computerized production controls. Some examples of the Company's achievements in animal farming include the following:

- **Livestock Farms using the Evaporative Cooling System**—This system provides a hygienic environment for raising animals and keeps the farms cool. The system is enhanced with the use of rice husks on the floor to reduce odor, an automated feeding system, and the use of a control system to help reduce pollutants which could arise from farming.
- **Probiotic Shrimp Farming**—Probiotic Farming yields chemical-free shrimp which are safe for consumption by employing natural products, namely the super biotic bacteria instead of chemicals to combat bad bacteria, which are the cause of various diseases in shrimp. Probiotic farming incorporates efficient pond management, which helps to produce healthy shrimp with high survival rate and good immunity against disease. Production costs are lowered, while yields are higher than through the use of chemicals.

- **Pork Free of Beta-agonist and Antibiotics**—The Company raises pigs without the use of beta-agonist and antibiotics, so that consumers are able to enjoy top quality pork.

■ R&D in Food Production

The Company places great importance on research and development to add value to the Company's meat products as well as create new recipes with meat products to please consumer tastes around the world. The research team has worked closely with customers to develop a wide variety of ready-to-eat food products in line with customers' requirements. Through development and experimentation, the Company has successfully developed a wide array of food products to serve the ever-changing preferences of consumers throughout the world.

Production Standards

The Company attaches utmost importance to "product quality" that meets standards, is tasty and hygienic and most important is safe for consumption. The Company has a system to randomly check the quality of raw materials and products at every stage of the production process. Control systems at every stage of production will help inform management of productivity in each stage and enable the Company to trace back to the raw materials used in production standards.

The Company is committed to continuous improvements in its production process to meet internationally recognized standards of production. The Company's production process has been certified with the Good Manufacturing Practices (GMP) which is an award for quality approach to manufacturing, Hazard Analysis and Critical Control Point (HACCP) which is a system that focuses on preventing food contamination, EST/TH, ISO 9002 which involves operating and production management systems that should be traceable with documentation, the British Retail Consortium Standard which is a standard for the food industry covering process control and personnel management, OHSAS 18000 which is an international occupational health and safety management system specification, ISO 14001 which concerns environmental management and ISO 18001 which involves the safety and welfare of employees.

In addition, the Company is the first company outside the EU to achieve the Animal Welfare Standard in chicken production for export which is the most stringent of all current industry standards. Operators are required to consider the chickens' "happiness" for the duration of the rearing process. The chickens have to be free from hunger and thirst (by ready access to fresh water and food), free from discomfort (by providing an appropriate, spacious environment), free from pain, injury and disease (by prevention and rapid diagnosis and careful handling), free to express normal behavior (by providing sufficient space, proper facilities and company of the animal's own kind) and free from fear and distress (by ensuring conditions and care, which avoid mental suffering, such as before entering slaughterhouses).



Tax privileges

Some of the Company's businesses are promoted by the Board of Investment (BOI). The significant benefits as of December 31, 2007 are outlined as follows:

Company / Business	Major Privileges	Commencing Year – Expiry Year
Charoen Pokphand Foods Plc.		
Shrimp Feedmill, Songkla	* 50% Income Tax Exemption	2003-2008
Shrimp Hatchery, Trat	* Income Tax Exemption	2002-2010
Shrimp Hatchery, Songkla	* Income Tax Exemption	2002-2010
Aquatic Feedmill, Samutsakorn	* Income Tax Exemption	2004-2012
Grandparent Stock Chicken Farm, Prajinburi	* Income Tax Exemption	2003-2011
Aquatic Feedmill, Songkla	* Income Tax Exemption	2002-2008
	* 50% Income Tax Exemption	2008-2013
Shrimp Hatchery, Trat	* Income Tax Exemption	2004-2012
Shrimp Hatchery, Chumporn	* Income Tax Exemption	2004-2012
Sausage Plant, Nakhon Ratchasima	* Income Tax Exemption (8 years)	No revenues occur yet
Food Processing Plant, Nakhon Ratchasima	* Income Tax Exemption	2004-2012
Chicken Breeder Farm, Nakhon Ratchasima	* Income Tax Exemption	2005-2012
Feedmill, Nakhon Ratchasima	* Income Tax Exemption	2005-2013
Broiler Farm, Chicken Processing Plant, Nakhon Ratchasima	* Income Tax Exemption	2005-2013
Aquatic Processing Plant, Samutsakorn	* Income Tax Exemption	2005-2013
Aquatic Processing Plant, Rayong	* Income Tax Exemption	2005-2013
Aquatic Processing Plant, Songkla	* 50% Income Tax Exemption	2005-2009
Shrimp Hatchery, Phang-nga	* Income Tax Exemption	2006-2014
Aquatic Feedmill, Songkha	* Income Tax Exemption	2006-2014
Aquatic Feedmill, Saraburi	* Income Tax Exemption (8 years)	No revenues occur yet
Aquatic Processing Plant, Songkha	* Income Tax Exemption (8 years)	No revenues occur yet
Aquatic Processing Plant, Surattani	* Income Tax Exemption (8 years)	No revenues occur yet
Charoen Pokphand Northeastern Plc.		
Chicken Breeder Farm, Petchaboon	* 50% Income Tax Exemption	2006-2011
Chicken Breeder Farm, Prajinburi	* Income Tax Exemption	2003-2011

Bangkok Agro-Industrial Plc.		
Duck Farm, Prajinburi	* Income Tax Exemption	2002-2010
Swine Farm, Karnchanaburi	* Income Tax Exemption	2004-2012
Swine Farm, Prajinburi, Srakaew, Chonburi, Chachoengsoa, Nakhon Nayok	* Income Tax Exemption	2005-2013
Duck Breeder Farm, Saraburi and Duck Farm, Prajinburi	* Income Tax Exemption	2003-2011
Pullet Farm, Prajinburi	*Income Tax Exemption (8 years)	2007-2015
Swine Farm, Chonburi	*Income Tax Exemption	2006-2014
Bangkok Produce Merchandising Plc.		
Animal Feedmill, Ayutthaya	* Income Tax Exemption	2001-2009
Food Processing Plant, Saraburi	* Income Tax Exemption	2002-2010
Broiler Farm, Saraburi	* Income Tax Exemption	2003-2011
Food Processing Plant, Saraburi	* Income Tax Exemption	2004-2012
Food Processing Plant, Saraburi	* Income Tax Exemption	2007-2015
CPF Food Products Co., Ltd.		
Broiler Farm, Prajinburi	* Income Tax Exemption	2002-2010
Broiler Farm, Prajinburi, Chachoengsao	* Income Tax Exemption	2003-2011
Broiler Farm, Chachoengsao	* Income Tax Exemption	2003-2011
Food Processing Plant, Bangkok	* Income Tax Exemption	2006-2014
Chicken, Duck Slaughterhouse, Bangkok	* Income Tax Exemption (8 years)	No revenues occur yet
International Pet Foods Co., Ltd.		
Pet Food Plant, Saraburi	* Income Tax Exemption	2004-2012
Pokphand Aquatech Co., Ltd.		
Aquatic Feedmill, Chonburi, Samutsakorn, Songkla	* Income Tax Exemption	2002-2010
CP-Yonekyu Co., Ltd.		
Food Processing Plant, Chachoengsao	* Income Tax Exemption	2006-2014
Bangkok Feedmill Co., Ltd.		
Swine Farm, Prachuabkirkhan	* Income Tax Exemption	2006-2014
B.P. Feedmill Co., Ltd.		
Swine Farm, Rayong	* Income Tax Exemption	2007-2015
Swine Farm, Pitsanulok, Nakhonratchasima	* Income Tax Exemption (8 years)	No revenues occur yet



Industry Overview

Thailand's agricultural economy in 2007 and prospects for 2008

Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

Thailand's agricultural economy in 2007

The overall economic environment remained positive in 2007. Despite many domestic and international factors affecting growth, including political instability, higher oil prices, the US economic slowdown and the appreciation of the baht currency, the Office of Agricultural Economics analyzed various indicators and concluded that the current political situation did not have an adverse impact on Thailand's economy. Private investment was strong due to robust capital inflows. In contrast, a sharp increase in oil prices had a negative effect on the manufacturing sector. The average price of standard crude oil from Dubai increased from approximately US\$ 57 per barrel to US\$ 88 per barrel in November 2007. Reversing the upward trends in May 2006, the consumer confidence index, as well as investment in the business sector, continued to decrease in early 2007. Nevertheless, the export-driven growth of 14 per cent (in US dollar) continued to support Thailand's overall economic performance. The overall GDP growth was approximately 4 per cent.

Price of crude oil

After major droughts, floods and the spread of avian flu during 2004 to 2006, Thailand's agricultural sector sustained its normal growth rate of 4.3 per cent due to weather conditions conducive for cultivation. Despite the droughts and floods in some rural areas, it did not affect the overall productivity of the agricultural sector. Since 2005, foreign demand for agricultural products has increased, resulting in favourable prices and incentives for farmers to expand their production. This included increasing production of rice, sugar and palm oil. However, the production of corn for animal feed has declined. Compared to 2006, poultry and livestock products, including chicken meat, grew as a result of the improved and standardized system for raising livestock. A fall in shrimp production was caused by higher production costs compared to the previous year. Overall, the agricultural production index increased from 112.7 in 2006 to 118.6 in 2007, representing a 5.2 per cent rise.

The appreciation of the exchange rate at THB 34.17 per US\$ 1 in 2007 did not have a substantial negative impact on overall agricultural production. On the contrary, an increase in diesel prices from THB 23.16 per litre in the first quarter of 2007 to THB 27.47 per litre in October 2007 led to higher costs of production and, therefore, weakened Thailand's competitiveness in international trade. From January to October 2007, the value of agricultural exports in Thai Baht increased by 2.1 per cent from the same period in 2006, while the value of agricultural exports in US dollar increased by 17.7 per cent during the same period. The increase in export of agricultural products included rice, tapioca, palm oil and chicken meat.

The followings are situation of production for major agricultural products

Crops

Corn for animal feed

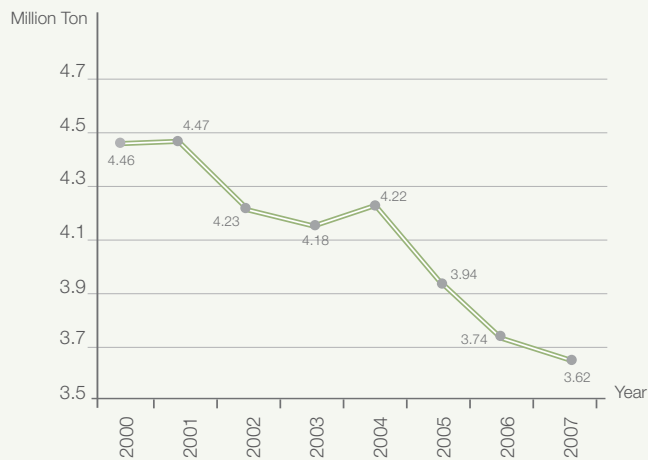
■ Production

Production of corn used primarily for animal feed fell from approximately 3.74 million tons in 2006 to 3.62 million tons in 2007, or 3.2 percent, due to inconsistent rainfall during the pre-harvest season from June to July 2007. Hence, productivity per rai fell from 619 kilograms in 2006 to 604 kilograms in 2007. Some farmers delayed their production as they speculated increasing corn prices. As a result, the production of corn available in the market decreased.

■ Trade and Price

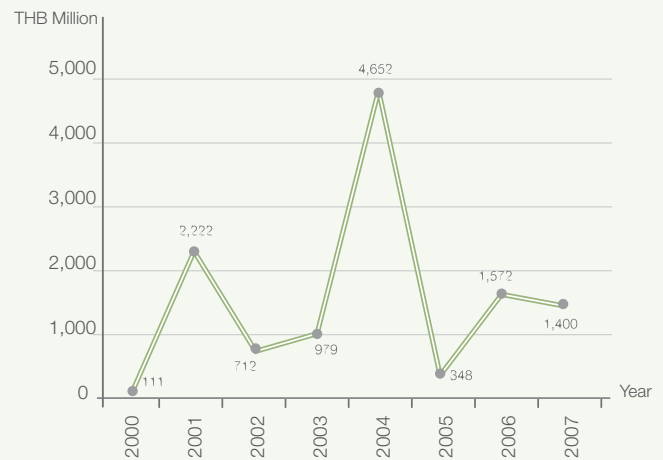
Export. From January to October 2007, Thailand's corn exports were approximately 0.08 million tons, accounting for 563 million baht. It fell from 0.14 million tons or 771 million baht during the same period in 2006, representing a 26.9 per cent decrease in corn exports due to an increase in domestic demand as well as a decrease in productivity. Exporters were not able to compete with buyers from feed factories. It was projected that total exports of corn would decline in 2007 compared to the previous year.

Corn Productivity 2000 - 2007



Source: Agricultural Information Technology Centre, Office of Agricultural Economics

Export Value of Corn for Animal Feed



Source: Bureau of Trade Negotiations, Ministry of Commerce
 Note: The year 2007 is estimated by the Office of Agricultural Economics



Price. Corn prices (humidity level below 14 percent) From January to October 2007, average corn price was about THB 6.68 per kilogram, which increased from THB 5.26 per kilogram during the same period in the previous year, an approximate 27 per cent increase. The unprecedented increase in corn prices stemmed from growing ethanol production in the United States, resulting in the rise of the average price of corn in the world market as a whole. Furthermore, Thailand's increasing demand surpassed existing supply in 2007.

Soybeans

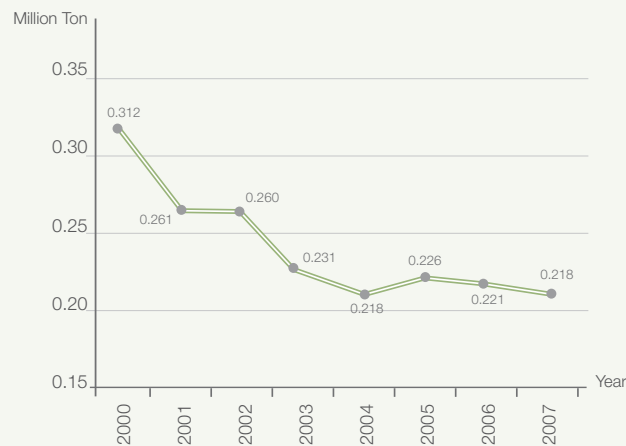
■ Production

In 2007, Thailand had approximately 0.88 million rai to grow soybeans. Compared to the previous year, land area for soybean cultivation decreased in 2007 because a number of farmers turned to other substitute crops that created better yields and profits than soybeans (e.g. corn for animal feed, tapioca and sugarcane). Overall production of soybean fell from 0.221 million tons in 2006 to 0.218 million tons in 2007. Nevertheless, favourable weather conditions resulted in productivity increasing from 242 kilograms per rai in 2006 to 245 kilograms per rai in 2007.

■ Trade and Price

The average price of soybeans offered by farmers went up from THB 10.44 per kilogram during January to October 2006 to THB 10.92 per kilogram during the same period in 2007, representing an increase of 4.6 per cent. This was a result of increasing demand for soybeans for vegetable oil production.

Production of Soybean 2000-2007



Source: Agricultural Information Technology Centre, Office of Agricultural Economics

Livestock

In 2007, Thailand's feed and livestock industry continued to expand through an improved system and feed standards. This year, the industry did not face hardships or major economic loss due to the spread of communicable diseases. Meanwhile, increased consumer confidence in chicken consumption boosted the production of chicken meat by 4.1 per cent. Compare to the previous year, pork production also increased at 4.4 per cent. The pork production cycle largely depends on pricing and the capacity of the public and private sectors to contain the spread of infectious diseases, such as foot and mouth disease. This year, the livestock industry is expected to grow at 7.5 per cent.

Major domestic production includes poultry and pork.

Poultry

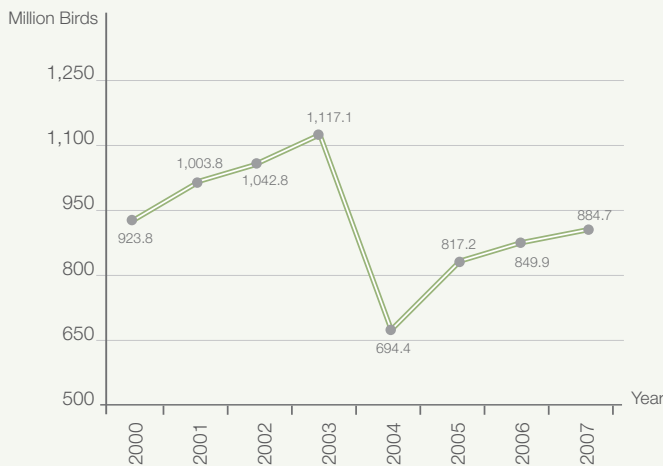
■ Production

Poultry production expanded from 850 million chickens in 2006 to 885 million chickens in 2007, representing a 4.1 per cent increase. Successful collaboration between the government and private sector to improve production standards boosted consumer confidence in the domestic and foreign markets. An increase in chicken meat exports led to domestic expansion of poultry production.

■ Trade and Price

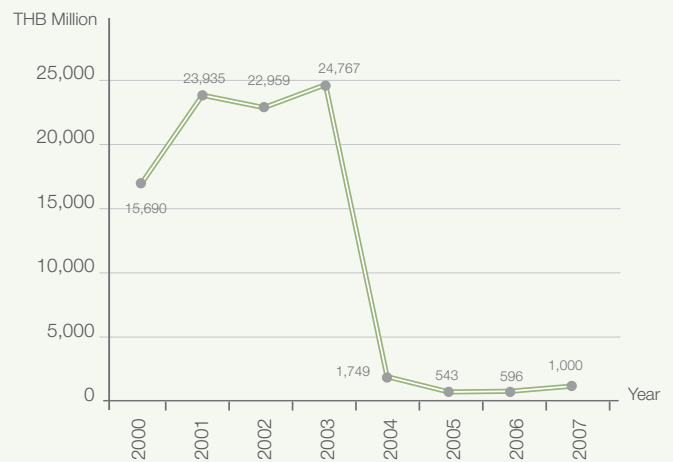
During the months of January to October, frozen chicken exports increased from 5.34 thousand tons (THB 429 million) in 2006 to 15.69 thousand tons (THB 836 million) in 2007.

The Poultry Production 2000 - 2007



Source: Agricultural Information Technology Centre, Office of Agricultural Economics

Value of Frozen Chicken Exports

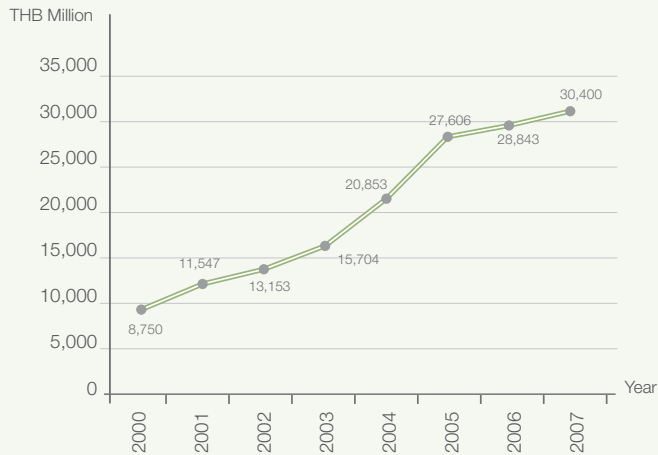


Source: Bureau of Trade Negotiations, Ministry of Commerce

Note: The year 2007 is estimated by the office of Agricultural Economics

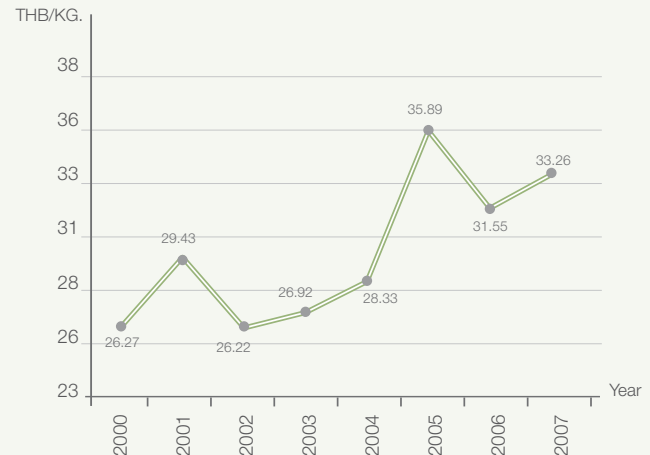


Value of Processed Chicken Meat



Source: Agricultural Information Technology Centre, Office of Agricultural Economics

Price of Chicken Meat at farm



Source: Bureau of Trade Negotiations, Ministry of Commerce
Note : The year 2007 is estimated by the office of Agricultural Economics

Exports of frozen chicken were suspended during the spread of avian flu in 2004-2005. Thailand's major trading partner is Vietnam, which imported over 90 per cent of the total frozen chicken exports of Thailand. In 2007, exports of frozen chicken and processed chicken meat picked up. The European Union (EU) increased its imports, following the approved quota. Moreover, the government successfully discovered new markets in the Middle East, such as Halal food markets. From January to October 2007, Thailand exported 221.34 thousand tons of chicken, or approximately THB 25,233 million. This increase in quantity and value was 8.2 and 6.5 per cent, respectively

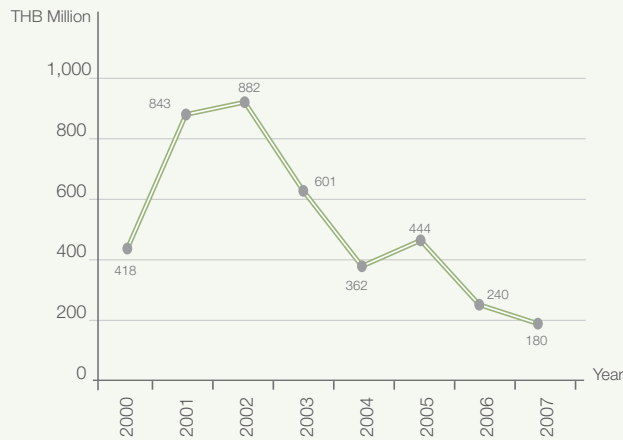
Price. The average price of chicken meat in 2007 (January to October) was THB 33.26 per kilogram, increasing from the previous year average price of THB 31.63 per kilogram, or about 5.2 per cent. Producers were able to control their production to meet the market demand as well as to match an increase in production costs due to the rising price of oil and animal feed. Expansion of export markets led to higher domestic prices of chicken meat in 2007, compared to the previous year.

Pork

■ Production

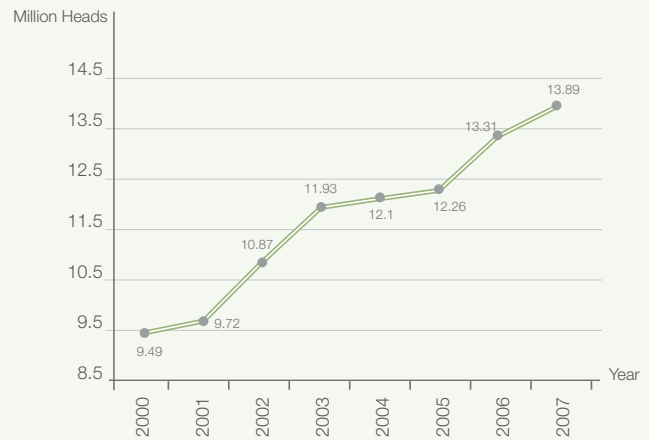
Pork production expanded from 13.3 million pigs in 2006 to 13.9 million pigs, accounting for a 4.4 per cent increase. Expansion of the feed industry as well as increasing prices gave incentives for producers to increase their production. Nevertheless, the private and public sectors established a measure to control the quantity of pork meat available in the market by cutting the life cycle of 100,000 young pigs (in March 2007). This measure aimed to control infectious diseases, particularly Porcine Reproductive and Respiratory Syndrome (PRRS).

Value of Frozen Pork Exports



Source: Bureau of Trade Negotiations, Ministry of Commerce
 Note: The year 2007 is estimated by the Office of Agricultural Economics

Production of Live swine : Year 2000-2007



Source: Agricultural Information Technology Centre, Office of Agricultural Economics

Fishery

In 2007, production in fisheries expanded by 2.8 per cent as a result of increasing production of tropical freshwater fish, such as Nile Tilapia fish and Tubtim fish (or Thai Red Tilapia). Furthermore, sea fisheries expanded to the territorial waters of other countries, including Indonesia, Malaysia and Burma. In contrast, fish farm production in the coastal areas did not increase from last year due to a slowdown in the shrimp farming industry. In addition, rising oil prices resulted in higher operating costs for fishermen. The government provided diesel to the fishermen at subsidized prices (The Green Fuel Project). This project partially helped compensate their huge losses due to the soaring price of diesel.



Shrimp

■ Production

In 2007, shrimp production decreased by 4 percent due to higher costs of production, rising oil price and higher price of shrimp feed. Furthermore, the general trend in shrimp prices continued to go down. Subsequently, shrimp farmers started to slow down production and turned to other types of fish farming.

■ Trade and Price

Export. During January to October 2007, exports of frozen and processed shrimp accounted for 295.98 thousand tons, increasing from last year's exports of 285.24 thousand tons. Nevertheless, the overall export value fell from THB 70,996 million in 2006 to THB 68,026 million in 2007, representing a 4.2 percent reduction of value. The appreciation of the Thai Baht weakened Thailand's competitiveness in the shrimp industry. The robust demand for shrimp products from Thailand's major trading partners continued to sustain shrimp exports.

Price. The average price of black tiger prawn (51-60 prawns per kilogram) fell from THB 153 per kilogram in 2006 to THB 137 per kilogram in 2007 during the period January to October, accounting for a 10.5 per cent decrease. Due to the baht appreciation and the over supply in the domestic and international markets, the average price of vannamei shrimp (61-70 prawns per kilogram) fell from THB 121 per kilogram in 2006 by 18.2 percent.

Value of Frozen Shrimp Exports (including processed shrimp)



Source: Bureau of Trade Negotiations, Ministry of Commerce

Note: The year 2007 is estimated by the Office of Agricultural Economics

Value of the Agri Product Export : Year 2006-2007

ITEM	2006		2007 (Jan-Oct)	Change (%)
	Full Year	(Jan-Oct)		
Total export (Million, THB)	4,937,372	4,092,401	4,330,809	5.83
Agri products	499,675	411,050	419,686	2.10
Others	4,437,697	3,681,351	3,911,123	6.24
Total Export (Million, USD)	13,131	10,720	12,123	13.09
Agri products	116,589	96,021	112,991	17.67
Others	129,720	106,741	125,114	17.21
Export portion				
Agri products	10.12	10.04	9.69	-
Others	89.88	89.96	90.31	-

Source : Agricultural Information Technology Centre, office of Agricultural Economics

The Export Value of the major Agri Products

Product	Quantity (Million, Tons)		Change (%)	Value (Million, THB)		Change (%)
	(Jan-Oct)			(Jan-Oct)		
	2006	2007		2006	2007	
Corn for animal farming	0.135	0.0810	-40.16	771.0	563	-26.9
Topioca and products	5.446	6.1370	12.68	34,61.2	39,534	14.2
Frozen Fresh Chicken	0.005	0.0160	193.82	429.0	836	95.0
Processed Chicken	0.205	0.2210	8.20	23,695.0	25,233	6.5
Chilled Pork	0.003	0.0028	-8.88	222.0	165	-25.7
Fish	0.376	0.4120	9.41	17,394.0	18,295	5.2
Chilled and Frozen Shrimp (include processed shrimp)	0.285	0.2960	3.77	70,996.0	68,026	-4.2

Source : Ministry of Commerce and Custom Department



Thailand's agricultural economy prospect 2008

Strong GDP growth of 4.6 per cent is expected to continue in 2008. Nevertheless, many negative factors may undermine growth in the agricultural sector. For example, rising oil price may increase production costs. The baht appreciation and non-tax barriers to trade could have an adverse impact on Thailand's competitiveness. Furthermore, the US economic slowdown might hinder growth of Thailand's agricultural sector.

Nevertheless, various positive factors will continue to support growth in the agricultural sector:

- (1) Prices of agricultural products will remain at a sustainable level. Sustainable prices will be an incentive for farmers to expand their cultivation, especially agricultural farming related to alternative energy, such as tapioca, sugarcane, palm oil and rubber. Prices of these products will tend to increase, following the oil price trend.
- (2) Demand for agricultural products, particularly corn, in foreign markets is still robust.
- (3) The government sector continues to foster agricultural development and enhance the capacity and effectiveness of agricultural production, such as knowledge and technical support for farmers to add value to agricultural products through food processing and preservation methods. Other aspects of agricultural production include quality control to meet international standards and the strengths of Thai farmers.

In 2008, various agricultural products will continue to increase, including rice, corn, tapioca, rubber, palm oil, sugarcane, chicken meat, pork, shrimp and freshwater fish. Soybeans and sea fishery products may decrease. Cultivation areas for rice, corn, rubber, palm oil and sugarcane will continue to expand. As for international trade, exports of rice, corn, tapioca, palm oil, soybeans, poultry and pork are projected to rise. It is expected that prices of rice, tapioca and shrimp will increase in 2008.

Crop

Growth in production of agricultural crops is projected at 4.8 per cent. Demand for crops for energy production, including tapioca, sugarcane and palm oil, is expected to increase to serve both domestic and foreign markets. These crops, particularly palm oil, are raw materials for the production of biodiesel and bioethanol. The prices of these crops continued to rise in 2007.

■ Corn for animal feed.

The overall production of corn will increase in 2008 due to increasing demand and favourable prices in domestic and international markets. Therefore, farmers have incentive to expand their production of corn.

As for trade, corn exports are projected to rise in 2008 thanks to increasing production and demand in the world market. However, if domestic demand rises faster than corn production, Thailand may have to import corn in order to have sufficient supply for domestic consumption and exports. The overall trend of corn prices (at the humidity level below 14 per cent) is expected to be positive in 2008.

■ Soybean.

In 2008, soybean production will likely remain constant at 0.217 million tons due to stable prices, while production costs are expected to increase. Nevertheless, domestic demand for soybeans to produce vegetable oil may rise. Therefore, Thailand might import more soybeans in 2008, compared to the previous year. Overall, prices are expected to be close to 2007 prices, which move in the same direction as the price of vegetable oil in the world market.

Livestock

The value of livestock production is projected to increase by 6.1 per cent in 2008 due to the expansion of poultry production at 4.5 per cent to serve new export markets of the public sector, such as the EU and six countries in the Middle East, including the United Arab Emirates, Saudi Arabia, Qatar, Kuwait and Bahrain. Poultry exports to the Middle East show a positive trend as these markets demonstrate high purchasing power. Simultaneously, in 2008, pork production is expected to expand at 4.2 per cent due to Thailand's increasing food production, particularly processing of pork products that meet the required international quality and standards. For example, Japan increasingly imports these products from Thailand instead of China. As a result, this gives Thailand more opportunities to build its reputation and consumer confidence in the quality and standard of products from Thailand. The EU will issue a new regulation to control salmonella food poisoning in chicken meat and eggs, turkey and pork. In this regard, Thai producers must emphasize food safety standards for consumers as well as enhance the effectiveness of production to reduce costs.

Fisheries

In 2008, growth in the fisheries industry is projected at 3.9 per cent. However, the sea fish industry is expected to slow down by 0.9 per cent. Increasing oil price is a major threat for fishermen because the use of diesel accounts for 60 per cent of operating cost.

Export trends in this sector look positive for 2008. Exports of freshwater fish will likely increase due to growing demand from major markets in the United States, EU and Russia. Generally, tropical freshwater fish are cheaper than coldwater fish. Nevertheless, exports of Thai fisheries face fierce competition with major producers from Brazil, China and Indonesia. Furthermore, shrimp exports facing various trade barriers imposed by major importers, such as the United States, Japan and the EU has impeded Thai shrimp exports. The government continues to support exports of Thai fisheries and to enhance competitiveness of Thai producers in the world market. These measures include reduction of production cost, enhanced shrimp quality and production standards to meet the demand of import countries. This aims to strengthen consumer confidence and expand market opportunities for exports of Thai fisheries.



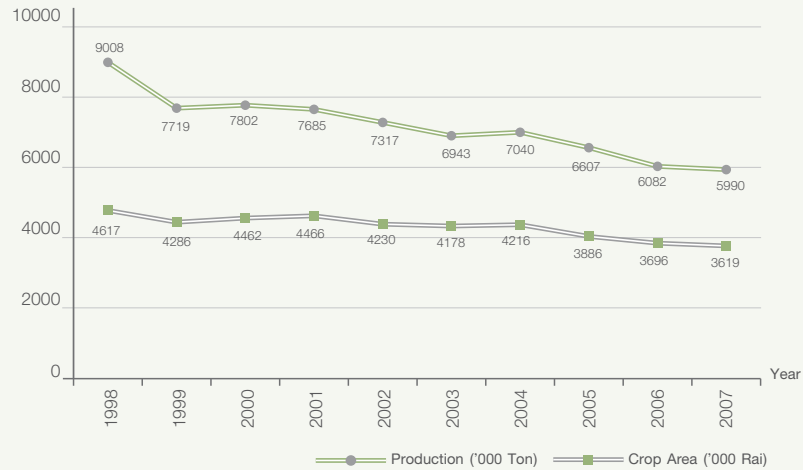
Raw Materials for Animal Feed

Source : Thai Feedmill Association, Summary from the Seminar on October 30, 2007

■ Corn

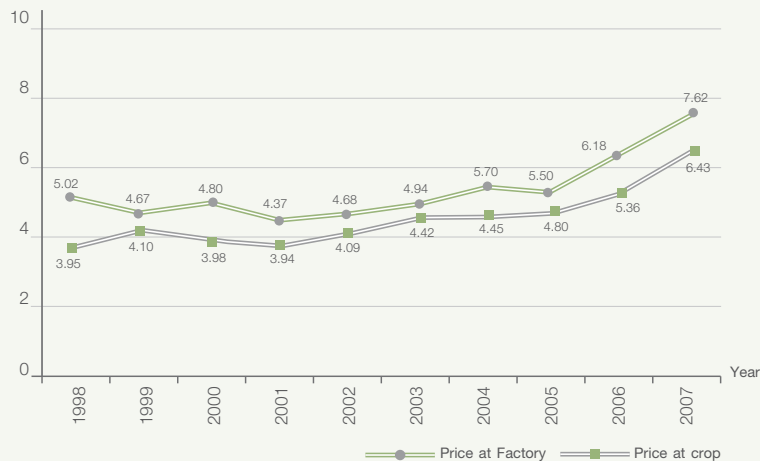
Corn production tends to decline because farmers turn to cultivate other crops that bring higher profit and returns, such as sugarcane and tapioca. These crops are easier to grow compared to corn. In 2007, corn prices offered by farmers increased and hence the corn prices offered at the factories went up. Subsequently, feed mills had to adjust the key ingredients for animal feed by mixing more tapioca and broken milled rice. As a result, prices of tapioca noodle, broken milled rice and rice husk have increased.

Thailand's Corn Production 1998 – 2007



Average Corn Prices, Country Average

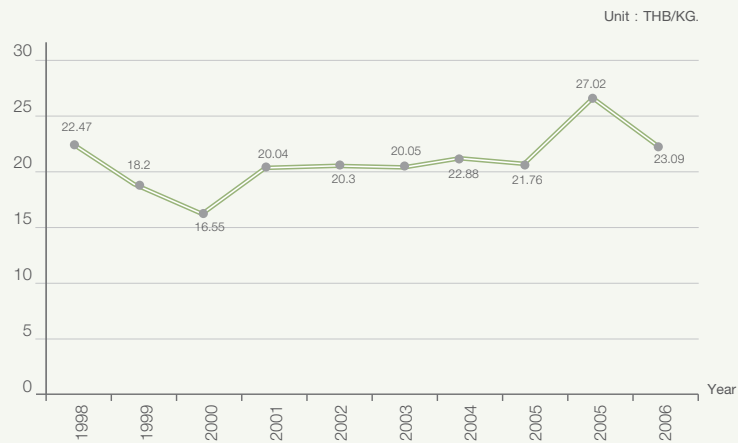
Unit : THB/KG.



■ Fish Meal

The general price of minced fish fell from the 2006 price level, which was very high despite constant supply in the market in the previous year (approximately 460,000 tons) As a result of falling shrimp prices, minced fish producers increased their exports from 72,000 tons in 2006 to 100,000 tons in 2007.

Average Fish Meal Prices, Country Average

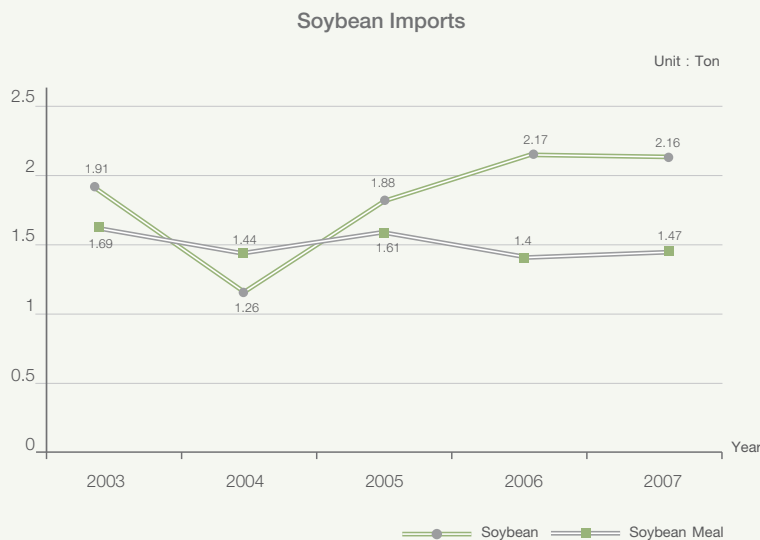
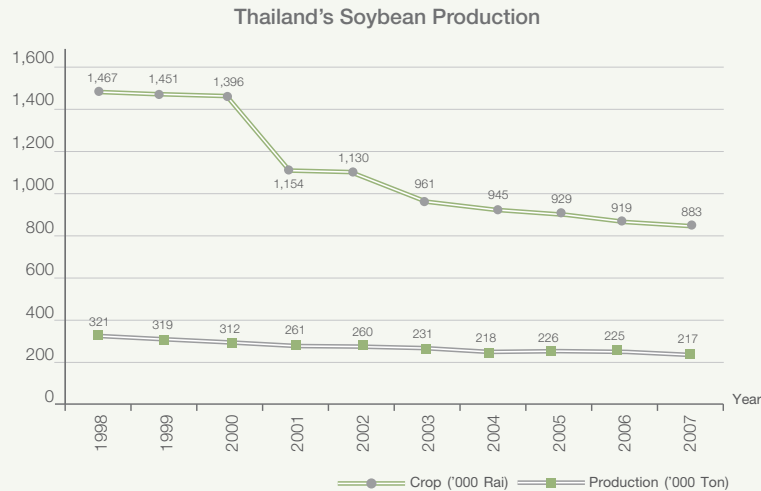


■ Soybeans

Thailand's soybean production has a tendency to decline because it is resource-intensive, and, therefore, farmers turn to grow other crops instead of soybeans.

■ Rice husk

The price of rice husk has increased substantially due to the sharp rise of corn prices and increasing rice husk exports to Indonesia and Senegal. Furthermore, prices increase during the end of the harvest season. In 2007, the price of rice husk slightly decreased due to an increased supply of seasonal rice in the market. It is expected that the 2008 price level will be at least THB 8 per kilogram.



The President of the Feed Mills Association presented various factors affecting the production of animal feed as follows:

1. FAO/OECD Population Growth Forecast indicates that in the next ten years, world population will increase from 6.6 billion in 2007 to 7.272 billion in 2016. Thailand's population will increase from 65.5 million to 69.6 million during the same period.
2. FAO/OECD forecast that world poultry production will increase from 83 million tons in 2007 to 98 million tons in 2016. Similarly, it is projected that pork production will increase from 111 to 129 million tons during the same period.

Thailand's poultry production will increase from 1.1 million tons in 2007 to 1.7 million tons in 2016, while Thailand's pork production will increase from 697,000 to 764,000 tons during the same period.

The President of the Feed Mills Association also presented a number of factors that may affect Thailand's food production as follows:

1. Due to increasing oil price and climate change, demand for biofuel has increased. The United States has a plan to increase corn production to produce ethanol from 55 million tons in 2006 to 110 million tons in 2016. China also plans to increase corn production to produce ethanol from 3.5 million tons to 9 million tons during the same period. Therefore, corn prices for exports will increase and hence increase the prices of raw materials for other feed.
2. Other infectious diseases such as bird flu, food and mouth disease (FMD) in cows and pigs.
3. Trade liberalisation under the World Trade Organization framework and multilateral trade negotiations have led to a decrease in average tariff barriers around the world. At present, through the Doha trade negotiations, some countries have proposed to cut agricultural tariffs and subsidies.
4. Exports of agricultural products face various non-tariff trade barriers.
 - 4.1 Measures to mitigate climate change, such as carbon labeling to indicate carbon emissions (CO₂) or carbon footprint as well as food miles, which means CO₂ emission from land and air transportation.
 - 4.2 Food safety measures include traceability.
 - 4.3 Measures of international standards, such as ISO 9000, ISO 14000, ISO 18000, ISO 26000, HACCP, ACC and Global GAP.
 - 4.4 Other measures that will be implemented in Thailand, such as product liability law and code of ethics.



Overseas Operations

CPF has operated overseas business through its subsidiaries, as follows:

- (1) **Chicken integration in Turkey** : CPF invested in this business through its indirect 100.00% holding subsidiary, C.P. Standard Gida Sanayi ve Ticeret A.S. (“CPS”), who has operated chicken integration. The business has spread out in various part of the country. In addition, CPS expanded into frozen shrimp import business to distribute in Turkey in 2007.
- (2) **Thai restaurant in the People’s Republic of China** : CPF invested in this business through its indirect wholly owned subsidiary, CP Food Product (Shanghai) Co., Ltd. The objective of this business is to introduce Thai fast food restaurant that applying the production which yields Thai foods of standard taste. Presently, there are 1 Thai restaurants under “Thai Thai” trademark in the People’s Republic of China.
- (3) **The aquaculture business in the People’s Republic of China** : CPF invested in this business through its direct wholly owned subsidiaries, C.P. Aquaculture (Beihai) Co., Ltd. and C.P. Aquaculture (Hainan) Co., Ltd. The main objectives are to manufacture and distribute aquatic feed and operate an aquatic culture farm in the People’s Republic of China. Moreover, C.P. Aquaculture (Dongfang) Co., Ltd., a new 100% direct holding subsidiary is set up in 2007. The objective is to run shrimp hatchery in the People’s Republic of China. The operation generated revenues in May 2007.
- (4) **The livestock and aquaculture businesses in India** : CPF invested in these businesses through its indirect 71.20% holding subsidiary, Charoen Pokphand (India) Private Limited (“CP India”). The main objectives are to manufacture and distribute animal feed and operate animal farming in India.
- (5) **The aquaculture business in Malaysia** : CPF Invested in this business through its indirect wholly owned subsidiaries, Star Feedmills (M) Sdn. Bnd. and Asia Aquaculture (M) Sdn. Bhd., in which Calibre Nature (M) Sdn. Bhd. has 100% direct holding. The main objectives are to manufacture and distribute aquatic feed, operate aquatic farming and aquatic processing in Malaysia.
- (6) **The chilled production plant in England** : CPF invested in this business through its indirect 52% holding subsidiary, CP Foods (UK) Limited. The main objective is to produce a chilled food products supply in European Union.

- (7) **The livestock business in Russia** : CPF invested in this business through its indirect 99.99% holding subsidiary, Charoen Pokphand Foods (Overseas) LLC (“CPF Overseas”). The main objectives are to manufacture and distribute animal feed and operate animal farming in Russia. Currently, CPF Overseas is under process of construction of its animal feed plant with capacity of 240,000 ton per year. It is expected that the plant will be completed and ready to run in the 3rd quarter of 2008.
- (8) **The livestock business in Lao People’s Democratic Republic** : CPF invested in this business through its indirect 99.61% holding subsidiary, C.P. Laos Co.,Ltd. (“CP Laos”). The main objective are to manufacture and distribute animal feed and operate animal farming in Lao People’s Democratic Republic. CP Laos began to generate revenue in July 2007.
- (9) **The Aquaculture business in Philippines** : CPF directly holds 100% in Charoen Pokphand Foods Philippines Corporation (CPFP), which set up in 2007. The main objective is to run shrimp hatchery in Philippines. The operation of CPFP is expected to begin generating revenues in June 2008.



Risk Factors

Investors in CPF's shares and persons with vested interests in the Company should carefully consider the risk factors that may affect the Company. These risk factors may affect the operations and/or the financial status of the Company leading to different consequences than those occurring under normal circumstances and/or may affect the Company's ability to achieve its objectives and goals.

Besides the risk factors mentioned in this report, there may be other risk factors unknown to the Company at this time or risk factors that the Company deems as having no material impact on the Company's operations. Major risk factors directly related and known to the Company that may affect the Company include the following:

1. Disease outbreaks in farms

In 2007, the Company has revenues from Livestock business in Thailand of THB 79,176 million, and aquaculture business in Thailand of THB 33,729 million. In animal farming, there is the possibility of disease outbreaks caused from both external factors which are uncontrollable and internal factors. To minimize the risk, operators should follow the best practices of farm management and have measures to monitor for ensuring the procedures are strictly followed. Eventhough the operators shall reduce direct impacts, they may face unexpected indirect impacts which in the first place affect the industry and then cause domino effects to the ability of enterprises to generate revenue and profit at the end.

For example, the broiler farming in Thailand has been impact by the disease outbreak prior to 2004. However, since 2004 untill now, the situation has eased almost back to normal, except the export of frozen fresh chicken meat that still is under ban. The reason is Thailand has not yet been certified by the World Health Organization as bird-flu free country.

Risk management

The Company has established rules and regulations for its employees to strictly follow and provide training on disease outbreak prevention. The Company has set up a system to prevent disease outbreaks, a system for good hygiene, an internal control system monitoring quality at every step of animal farming as well as strict conditions imposed on visitors to the Company's operations. In addition, the Company has invested in research and development of animal farming under the closed system and increased use of technology in animal farming to reduce animal exposure to carriers of various diseases. Furthermore, the Company has employed veterinarians to study various diseases with the objective of laying down foundations to prevent disease outbreaks in the Company's farms.

With regard to the bird flu outbreak in Thailand in last 3 years, the Company managed risks to lessen the impact on the Company's operations by enforcing stricter disease prevention standards at the Company's farms and educating contract farmers on disease prevention. In addition, the company expanded capacity for the production of cooked chicken products to cater to both local and international markets. The Company strictly increased the measures to prevent the outbreak, including to educate farmers that are the Company's partners. Consequent to the outbreak, consumers placed greater importance on carefully choosing safe and hygienic products for consumption. Through public relations via different media and marketing strategies, the Company communicated and emphasized to consumers product quality and safety under the CPF trademark.

2. Volatility of raw material prices

The Company is engaged in integrated agribusiness with the main production cost being raw materials used in animal feed production, such as corn, fish meal and soybean meal, accounting for approximately 40% of the Company's cost of sales. The prices of these raw materials fluctuate each year depending on the demand and supply for each type of raw material in the world market. Therefore, if the prices of raw materials increase and the Company is unable to increase the prices of animal feed or meat products to compensate for the rise in production costs, the increase in raw material prices may cause the Company's profits to decline.

Risk management

The Company gives much consideration to this risk and has a team of raw material sourcing experts to closely follow price trends. In addition, the Company has large silos with efficient management systems to stock up on raw materials for sufficient use when raw material prices are forecast to rise in the future. This has enabled the Company to manage costs with minimum fluctuations. However, this does not guarantee that the cost of raw materials of the Company at one point of time shall below the market price at that time as it is not possible to accurately forecast when entering into raw material purchase contracts.

Therefore, the Company has studied, researched and developed methods to use raw materials efficiently and reduce raw material loss during production, providing another important means to effective cost management.

3. Volatility of meat prices

Sales from the Company's meat products, which comprise live animals, fresh meat, and chilled and frozen fresh meat which are both sold locally and exported overseas, account for 57% of total sales in 2007. Meat prices fluctuate according to demand and supply in the market. Therefore, if meat prices decline due to oversupply in the market and/or decrease of consumer confidence, this may cause the Company's profits to decline.



Risk management

The Company has adopted a strategy to manage the risk from the volatility of meat prices by diversifying into different product categories such as chicken, eggs, swine, shrimp, fish and duck. Product diversification will lower the impact from the price decline of a particular product. For instance, the bird flu outbreak in Thailand in 2004 brought about lower consumer confidence in chicken consumption. Consequently, consumers switched to consuming pork,

In addition, the Company has adjusted its production and marketing plans to produce and distribute products which are less susceptible to price volatility and/or products whose prices can be adjusted to reflect production costs, such as value-added meat products (eggs boiled in herbs, grilled chicken, sauced duck, grilled duck) and cooked meat products for export (frozen boiled chicken, frozen roasted chicken, frozen karake chicken, frozen boiled shrimp, frozen breaded shrimp). The Company has also developed ready meals such as chilled shrimp wonton and chilled spicy shrimp soup.

4. Change in Consumer Preferences

Consumer and customer confidence in a particular product may decline due to disease outbreak in the farming of a particular animal, the discovery of chemical residue or contamination in a product that is harmful to consumers, substandard quality products or untimely delivery of products. This may cause the Company's sales of the particular product to fall.

Risk management

The Company has built brand awareness and recognition with marketing strategies and public relations through various channels to create consumer and customer confidence in the quality of the Company's products as well as awareness of the attention paid to production processes which have strict quality control at every stage of production. The Company also set up call service center to receive customers' comment, while promoted CP brand through many marketing strategies. These increased customers' confidence.

5. Trade barriers in the world market

The Company exports meat products to many countries worldwide. The Company's export revenues in 2007 is THB 23,672 million or about 18% of total sales. While tariff barriers are playing a lesser role under the global policy of free trade, still, new forms of barriers have been devised to undermine the opportunity for the import and export of meat products. This may cause the Company's meat export sales to decline or indirectly affect other areas of the Company's revenue. For example, Thailand is one of the six countries that United States imposed anti-dumping duty on shrimp by taking from dumping margin. If United States decide to increase current anti-dumping duty rate in future, it affects overall shrimp exporting business in Thailand. This means it influences the Company's profits. In addition, there are some others barrier from importing countries, such as the quota system on imported-chicken of the EU, the limitation on the chicken processing plant of Japan, or the processed pork's import regulation of Singapore and the EU that are very stricted. All these may cause the Company's revenues from meat export decline.

Risk management

Although it is not possible to predict when this type of risk will occur, the Company has always placed great emphasis on research and development on all aspects of production to achieve world-class production standards and develop high quality food products to satisfy consumers, gaining customer acceptance worldwide. Moreover, the Company continues to place great importance on studying the developments in international trade rules and regulations. With updated information on this matter, the Company can develop its business strategy in line with the new rules and regulations.

In addition, the Company continues to expand its export customer base to diversify risk and has established sales representative offices in numerous countries throughout the world to be closer to country-specific news and information. The Company has also increased investments in various countries to minimize the impact of trade barriers on its operations.

6. Foreign exchange risk

The Company imports raw materials for production which account for 10% of cost of goods sold or THB 12,256 millions in 2007. Therefore, if the Baht depreciates against the currency used to purchase the raw material, this may cause the Company's animal feed production costs and animal farming cost to rise. In addition, the Company earns revenue from exports which accounts for approximately 18% or THB 23,672 millions of total sales in 2007. Therefore, if the Baht appreciates against the currency used in the sale, this may cause revenue to decline when converted into Baht. If both these cases occur, this may cause the Company's profits to decline.

Risk management

The Company has a policy to enter into forward exchange contracts to protect against currency fluctuations. In addition, this allows the Company to know costs and selling prices in definite Baht terms. For some product types that the power for determining prices belongs to a seller, and accuracy of costing shall result in an efficiency of pricing, guaranteeing that the Company may generate profits as expected. However, entering into forward exchange contracts does not guarantee that the Company can manage foreign exchange at better rates than the market rate since it is not possible to accurately forecast foreign exchange rates when entering into the contract. In addition, each investment must be in line with the company's capability.



7. Risk from investment in other countries

The Company has investments and joint-ventures in agro-industrial businesses in many foreign countries that have potential for business expansion, namely the Republic of Turkey, Malaysia, India, the People's Republic of China, the United Kingdom, Denmark, Russia, Lao People's Democratic Republic and Vietnam. (Detail of overseas investment is reported under section 9. investment in the financial statement for the year ended 31 December 2007) Each country has risks which may arise from changes in political, regulatory or economic conditions. Any changes, if significant, may affect the business operations in these countries as well as the revenue and profit earned from these overseas businesses. In addition, each investment must be in line with the company's capability In 2007, the overseas revenues is 16% of total sales.

Risk management

The Company recognizes this risk and has established a policy and system to closely monitor and control the performance of overseas operations. Furthermore, the Company posts experienced managers, including controllers, to oversee these foreign operations and present the performance of their operations at least once every quarter in Thailand.



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Management's Discussion and Analysis

Highlights of the Consolidated Financial Statements and Key Financial Ratios

Consolidated balance sheet of CPF and its subsidiaries as of 31 December 2005-2007

	As of 31 December					
	2005		2006		2007	
	THB, million	%	THB, million	%	THB, million	%
Cash and cash equivalents	2,535	3	1,727	2	3,461	3
Accounts receivable – trade and others	12,191	13	12,825	13	13,560	13
Current portion of long-term receivable from related						
company for sale of investment	-	-	167	-	260	-
Accrued interest	-	-	44	-		
Inventories	23,867	27	26,498	28	27,112	27
Other current assets	940	1	1,097	1	1,260	1
Total current assets	39,533	44	42,358	44	45,653	44
Total non-current assets	49,565	56	53,377	56	56,893	56
TOTAL ASSETS	89,098	100	95,735	100	102,546	100
Current liabilities	29,751	33	36,550	38	37,937	37
Non-Current liabilities	15,558	18	16,505	17	20,394	20
TOTAL LIABILITIES	45,309	51	53,055	55	58,331	57
SHAREHOLDERS' EQUITY	43,789	49	42,680	45	44,215	43

Consolidated income statement of CPF and subsidiaries for the years ended 31 December 2005 - 2007

	2005		2006		2007	
	THB, million	%	THB, million	%	THB, million	%
Revenue from sale of goods	113,374	97	124,931	98	134,809	98
Share of profits from investments in associates accounted for using the equity method	811	1	763	1	959	1
Other income	2,334	2	1,841	1	1,893	1
TOTAL REVENUES	116,519	100	127,535	100	137,661	100
Cost of sale of goods	94,485	81	108,158	85	117,936	86
Selling and administrative expenses	12,128	11	14,472	11	15,852	11
Share of losses from investments in associates accounted for using the equity method	136	-	37	-	11	-
Others	39	-	38	-	38	-
TOTAL EXPENSES	106,788	92	122,705	96	133,837	97
Profit before interest expense and income tax expense	9,731	8	4,830	4	3,824	3
Interest expense	1,245	1	1,953	2	2,347	2
Income tax expense	1,593	1	329	-	49	-
Profit from change in value of cash items - Net	(65)	-	-	-	-	-
Profit after income tax expense	6,828	6	2,548	2	1,428	1
Add Net profit of minority interest	(118)	-	(38)	-	(153)	-
Profit from normal activities	6,710	6	2,510	2	1,275	1
Extraordinary item						
Reimburse on lost - net from income tax	37	-	-	-	-	-
Net profit	6,747	6	2,510	2	1,275	1

Consolidated statements of cash flows for the years ended 31 December 2005-2007

(Unit : THB, million)	2005	2006	2007
Net cash provided by operating activities	2,900	3,782	6,145
Net cash used in investing activities	(7,249)	(7,848)	(5,767)
Net cash provided by financing activities	5,039	2,884	1,660



Key financial ratios of the consolidated financial statements of CPF and subsidiaries

	2005	2006	2007
Liquidity ratios			
Current ratio ¹ (times)	1.33	1.16	1.20
Quick ratio ² (times)	0.49	0.40	0.45
Cash flow liquidity ratio ³ (times)	0.11	0.11	0.16
Accounts receivable turnover ⁴ (times)	10.41	9.75	9.97
Collection period ⁵ (Days)	35	37	36
Inventory turnover ratio ⁶ (times)	15.14	14.19	18.54
Inventory turnover ⁷ (Days)	24	25	19
Account payable turnover ⁸ (times)	17.00	16.57	15.88
Payable period ⁹ (Days)	21	22	23
Cash Cycle ¹⁰ (Days)	38	40	32
Profitability ratios			
Gross profit margin ¹¹ (%)	16.66	13.43	12.52
Operating profit margin ¹² (%)	8.58	3.87	2.84
Net profit margin ¹³ (%)	5.79	1.97	0.93
Return on Equity ¹⁴ (%)	17.89	5.81	2.93
Operating efficiency ratios			
Return on fixed assets ¹⁵ (%)	29.59	16.08	13.03
Asset turnover ¹⁶ (times)	1.44	1.38	1.39
Leverage ratios			
Debt to equity ¹⁷ (times)	1.03	1.24	1.32
Interest coverage ¹⁸	2.33	1.94	2.62
Commitment coverage ¹⁹	0.17	0.23	0.46
Dividend payout ²⁰ (%)	52.54	56.92	50.13

¹ Current ratio = Total current assets / Total current liabilities

² Quick ratio = (Cash and cash equivalent + short term investment + Account receivable, trade and others) / Total current liabilities

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

⁴ Account receivable turnover = Net Sales / Average account receivable, trade and others

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

⁶ Inventory turnover = Cost of sales of goods / Average finished goods

⁷ Inventory turnover = 360 / Inventory turnover ratio

⁸ Account payable turnover = Cost of sales of goods / Average account payable

⁹ Collection period = 360 / Account payable turnover

¹⁰ Cash Cycle = Average collection period + Account payable turnover – Collection period

¹¹ Gross profit margin = Gross profit / Net sales

¹² Operating profit margin = Profit before interest expense 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 asset

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 Commitment coverage = Net cash provided by operating activities / (Debt payment + Investment expenses + Purchase of Assets + Dividend paid)

²⁰ Dividend payout = Dividend paid / Net profit

This management's discussions and analysis is based on the consolidated financial statements of CPF and subsidiaries for the year ended 31 December 2007. It includes financial statements of CPF and 58 subsidiaries, comprise of 27 companies that were set up in Thailand and 31 companies that were set up overseas.

Important events in 2007

New subsidiaries

In 2007, the Company has new subsidiaries as follows:

C.P. Aquaculture (Dongfang) Co., Ltd. ("CPD") is established in the People's Republic of China in January 2007, with the initial capital of RMB 32 million or about THB 144 million. The object is to run shrimp hatchery business in the People's Republic of China.

Charoen Pokphand Foods Philippines Corporation ("CPFP") is established in Philippines in May 2007, with the capital of Philippines Peso 50 million or about THB 37 million. The objective is to run shrimp hatchery business in Philippines.

CP Foods (UK) Limited ("CPF UK"), a subsidiary in which CPF has indirect holding of 52.00% in its paid-up capital, invested in 11 companies at their par value of Pound Sterling 1 per company. The total investment was at Pound Sterling 11 or about THB 750. The objective is to support the Group's imported of processed products from poultry business in the Europe.

Divestment of assets

Bangkok Produce Merchandising Public Company Limited ("BKP"), a subsidiary of CPF, divested its investment of about 0.92% of the paid-up capital of C.P. All Public Company Limited (previously named as "C.P. Seven Eleven Public Company Limited") to others. The Company recognized gain from this divestment about THB 348 million in the income statement for the year ended 31 December 2007.

Moreover, BKP also wrote off its whole investment in its subsidiaries, BKP Holdings Limited ("BKPH"), which was dissolved in 2007. The transaction had no material impact to the CPF Group since the net book value of BKPH was insignificant.



2007 operating results

(1) The overview of the operating results

The Company had net sales of THB 134,809 million in 2007, increasing 8 percent year-on-year, resulted from the 3% increase of Thailand operations and 42% increase of overseas operations. Sales from the livestock business in Thailand increased 1%. Sales from the aquaculture business in Thailand rose 8%. The increase of the overseas operations' sales was from 46% increase in the livestock business and 35% increase in aquaculture business.

The Company's operating profit in 2007 was THB 1,275 million, decreasing 49% compared to the previous year. It is mainly from the lower domestic meat price, the stronger Thai Baht, together with the higher cost of raw materials for feed production.

The overseas operations' operating profit increased from the previous year of THB 1,550 million, resulted from the 42.4% increase in sales from 2006 and the gross profit margin enhancement from 11.0% to 16.9% in 2007. All these made the overall operating profit of the Company in 2007 is at 2.1% lower from that of 3.5% in the previous year.

(2) Operating results of each business line**Sales structure of CPF and its subsidiaries for the years ended 31 December 2005-2007**

	2005		2006		2007		Change from last year
	THB, million	%	THB, million	%	THB, million	%	
1. Thailand operations	98,489	87%	109,551	88%	112,905	84%	3%
1.1 Livestock business	70,896	63%	78,272	63%	79,176	59%	1%
- Animal feed	19,392	17%	22,897	18%	23,169	17%	1
- Breeder	2,710	2%	2,649	2%	2,350	2%	-11%
- Meat and Food – Domestic	33,884	30%	36,407	29%	36,773	27%	1%
- Meat and Food – Export	12,182	11%	13,310	11%	14,653	11%	10%
- Others	2,728	3%	3,009	3%	2,231	2%	-26%
1.2 Aquaculture business	27,593	24%	31,279	25%	33,729	25%	8%
- Animal feed	14,670	13%	15,800	13%	15,333	11%	-3%
- Breeder	1,869	2%	1,686	1%	1,530	1%	-9%
- Meat and Food – Domestic	1,220	1%	3,659	3%	6,573	5%	80%
- Meat and Food – Export	9,320	8%	9,388	7%	9,019	7%	-4%
- Others	514	0%	746	1%	1,274	1%	71%
2. Overseas operations	14,885	13%	15,380	12%	21,904	16%	42%
2.1 Livestock business	12,329	11%	9,993	8%	14,622	11%	46%
2.2 Aquaculture business	2,556	2%	5,387	4%	7,282	5%	35%
TOTAL SALES	113,374	100%	124,931	100%	134,809	100%	8%

Operating results of each business line and business location**(1) Livestock business in Thailand**

Sales from the livestock business in Thailand was THB 79,176 million in 2007, or 59% of the Company's total net sales, increasing 1% year-on-year. The proportion of domestic sales to export sales was 82:18.

In 2007, the gross profit margin of the livestock business in Thailand was 11%, lower than the previous year's gross profit margin of 13%, as a result of lower average domestic selling prices of meat products, specially pork, together with the higher cost of raw material for animal feed production in 2007 compared to 2006.

(2) Aquaculture business in Thailand

Sales from the aquaculture business in Thailand amounted to THB 33,729 million in 2007, rising 8% from THB 31,279 million of the prior year, mostly from increased meat and food sales such as fresh shrimp in Thailand.



In 2007, the gross profit margin of the aquaculture business in Thailand was 13%, falling from the previous year's gross profit margin of 16%, from the decrease of both volume and price of aquatic feed.

(3) Overseas operations

Sales from overseas operations totaled THB 21,904 million in 2007, increasing 42% year-on-year. The livestock business in Turkey sales contributed 27% growth from the higher demand on chicken consumption within the country being higher after the Avian flu crisis easing down to normal situation, together with the material higher price of domestic chicken meat than the previous year. The aquaculture business in Malaysia and India showed 13% increase.

Dividend payment

According to the Company's dividend policy, the sum of dividend payments from the operating results of each year will be approximately 50% of net profit after tax and appropriations to legal reserve. In addition, according to the terms and conditions of the Company's certain debentures, the Company is not permitted to pay cash dividends to shareholders in the amount exceeding 60% of net profit in each fiscal year and that amount shall also not exceeding its net profit in the separate financial statement of that year. In 2007, CPF didn't declare any interim dividend payments because the 6 month consolidated results for the ended date 30 June 2007 reported a net loss. However, the Board of Directors resolved on 27 February 2008 declaring the annual dividend payment of THB 0.085 per share, totaling THB 639 million or equivalent to 50.1% of the 2007 annual consolidated net profit. The dividend payout did not exceed the net profit as reported in CPF's separate financial statements. The Board of Directors will propose the annual dividend payment at the Annual General Meeting of Shareholders 1/2008, which will be held on 23 April 2008, for approval.

Financial position

(1) Assets

As of 31 December 2007, the Company's total assets amounted to THB 102,546 million, comprising of THB 45,653 million in current assets, THB 44,234 million in property, plant and equipment, and THB 12,659 million in long-term investments and others.

Assets as of 31 December 2007 increased 7% from the year earlier mainly due to an increase in cash and cash equivalent, and fixed assets from business expansion. As of 31 December 2007, inventory was recorded at THB 27,112 million, an increase of 2% from the prior year. The inventory comprised of THB 5,280 million in finished products, THB 1,899 million in parent stock (net of breeder amortization), THB 7,422 million in work-in-process, THB 10,273 million in raw materials, THB 1,626 million in goods in transit, THB 657 million in chemicals and supplies, and THB 45 million in allowance for decline in value of inventories.

(2) Liquidity

In 2007, the Company had net cash from operating activities and financing activities of THB 6,145 million and THB 1,660 million, respectively. In 2007, the Company issued debentures CPF100A and CPF120A worth a total of THB 6,000 million and made payments on debentures, loans, interest expenses and others amounting to THB 8,997 million. In addition, the Company borrowed THB 4,657 million from financial institutions. The Company is obliged to make payments on long term loans and debentures in the amounts of THB 2,629 million in 2008, THB 5,071 million in 2009, THB 12,048 million in 2010 -2012. The Company has net cash used in investment activities of THB 5,767 million. The cash and cash equivalent as of 31 December 2007 is amounted to THB 3,288 million.

The Company's current ratio as the consolidated financial statements at 31 December 2007 is 1.20 times, higher than 1.16 times at the end of 2006. The source of fund was not only from net cash provided by operating activities, but also from loans from others financial institutions. As of 31 December 2007, cash cycle is at 32 days, decreased from 40 days at the end of 2006. It is resulted from the decrease of the Company's average inventory turnover declined from 25 days to 19 days. Moreover, the commitment coverage of the Company increased from 0.23 times in 2006 to 0.46 times in 2007. As of 21 September 2007, Tris Rating Company Limited announced rating results of the CPF at A+.

As of 31 December 2007, the Company's outstanding debentures totaled THB 18,500 million as follows:

- a) A debenture issue worth THB 3,500 million was issued on 17 November 2004. It has a maturity of 5 years and a fixed interest rate of 5.50% per year.
- b) A debenture issue worth THB 4,000 million was issued on 16 June 2005, divided into 2 series. The first series worth THB 2,000 million has a maturity of 3 years and fixed interest rate of 4.25% per year. The second series worth THB 2,000 million has a maturity of 5 years and a fixed interest rate of 5.00% per year.
- c) A debenture issue worth THB 5,000 million was issued on 5 July 2006, divided into 2 series. The first series worth THB 1,200 million has a maturity of 3 years and fixed interest rate of 6.30% per year. The second series worth THB 3,800 million has a maturity of 5 years and a fixed interest rate of 6.90% per year.
- d) A debenture issue worth THB 6,000 million was issued on 19 October 2007, divided into 2 series. The first series worth THB 3,500 million has a maturity of 3 years and fixed interest rate of 4.25% per year. The second series worth THB 2,500 million has a maturity of 5 years and a fixed interest rate of 4.90% per year.

(3) Source of funds

The debt to equity ratio as of 31 December 2007 was 1.32 times (lower than the indicated Net debt to equity ration in the Term and Condition of bond issuer and representatives for the Bond No.1/2004, No.1/2005, No.1/2006 and No.1/2007 that the Company committed to maintain this ratio not above 2.00 times). Total liabilities of THB 58,331 million comprised of THB 37,937 million in current assets and THB 20,394 million in long-term liabilities, or in the proportion of 65:35.

As of 31 December 2007, shareholders' equity was THB 44,215 million. Major changes in shareholders' equity in 2007 were mostly from the increase in retain earning from net profit in 2007 and the currency translation changes of overseas subsidiaries and associates.

(4) Investments in 2007

In 2008, the Company has a capital expenditure of THB 4,284 million approved by the Board of Directors. The investment budget is for both maintenance and expansion. THB 2,504 million will be invested in the livestock business while THB 1,780 million will be invested in the aquaculture business. Investment plans may change according to changes in the business environment.



The effects from changes of accounting policy for the investments in subsidiaries and associates in the financial statements, only on the equity method to cost method

The Company has changes of accounting policy for the investments in subsidiaries and associates to cost method, effectively from 1 January 2007. It is according to the new accounting standard no. 44 and 45. The Company has also made pro-forma statements for comparison purpose. The investment in subsidiaries and associates presented in the separate financial statements recorded on historical cost as the beginning cost. The above changes have effected the separate financial statements as follows:

- (1) The amount of net profit for the separate financial statements for the year ended 31 December 2007 is more than the net profit reported in the consolidated financial statements. The different is resulted from the dividend received from subsidiaries recorded in the separate financial statements did not include the share of profit from equity investment, that has recorded in the consolidated financial statements.
- (2) The effects from the restating to other items on the separate balance sheet as of January 1, 2007 were as follows:

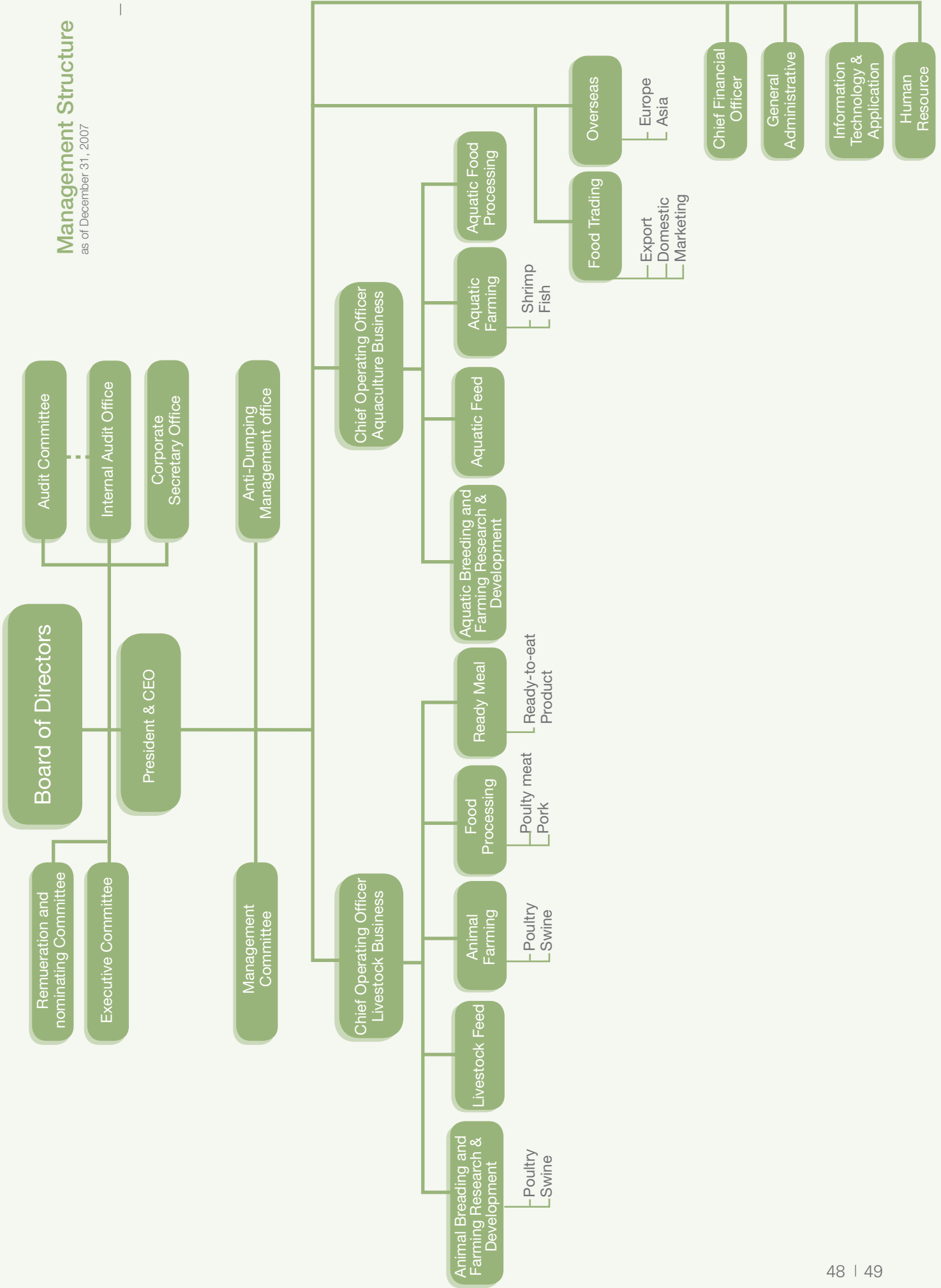
	<i>(in THB million)</i>
1. Decrease in investments in subsidiaries and associates	(14,234)
2. Decrease in deferred tax assets	(17)
3. Decrease in other current liabilities	123
4. Decrease in deferred tax liabilities	89
Total - decrease in net assets	(14,039)
5. Decrease in retained earnings	(13,763)
6. Decrease in change in fair value of land valuation	(1,376)
7. Increase on translation of foreign operations	637
8. Share capital held in treasury	721
9. Decrease in change in fair value of securities and other reserves	(258)
Total - decrease in Shareholders' Equity	(14,039)

The Company presented the effect of change in accounting treatment in the "Change in accounting policy" in the statements of changes in shareholders' equity of separate financial statements and in Note 25 of the Notes to financial statements for the period ended 31 December 2007.

However, the change of accounting policy affected only the separate financial statements. It did not have any effect on the consolidated financial statements or business fundamentals.

Management Structure

as of December 31, 2007





Management

Investment and Management Policy

The management structure of CPF is functioned by business line. Post the consolidation of agro-industry business of Charoen Pokphand Group to be under the Company in 1999, CPF also had vivid investment policy of investing only in core-business and/or businesses that related to its core-business only.

As of December 31, 2007, CPF has investments in subsidiaries, associated companies, and related companies of THB 18,265 million, equivalent to 27% of CPF's total asset. CPF has policy to appoint management representatives to be as directors, who has controlling power, to govern the management of subsidiaries being effective and efficient as to the Company policy. CPF monitors the performance of its group of companies by having monthly meeting which is set to mutually consider their performance and guide the business plan with target for the month to come.

For each investment consideration, CPF may directly invest or invests through its subsidiaries which operate related-business. However, CPF has policy to have 100% holding in subsidiaries, excluding the joint-venture with the strategic partners.

Board of Directors

As of December 31, 2007, CPF's Board of Directors consists 15 members as follows:

Name	Position Attendance	at the Meeting during 2007
1. Pol. Gen. Pow Sarasin Honorary	Chairman & Independent Director ⁽¹⁾	15/15
2. Mr. Dhanin Chearavanont	Chairman ⁽²⁾	10/15
3. Mr. Prasert Poongkumarn	Vice Chairman ⁽²⁾	12/15
4. Mr. Min Tieworn	Vice Chairman ⁽²⁾	15/15
5. Mr. Chingchai Lohawatanakul	Vice Chairman ⁽²⁾	13/15
6. Mr. Arsa Sarasin Independen	Director ⁽¹⁾	10/15
7. Professor Dr. Athasit Vejajiva	Independent Director ⁽¹⁾	15/15
8. Mr. Thanong Tempangpun	Independent Director ⁽¹⁾	15/15
9. Mr. Phongthep Chiaravanont	Director ⁽²⁾	12/15
10. Dr. Veeravat Kanchanadul	Director ⁽²⁾	15/15
11. Mr. Adirek Sripatak	Director ⁽²⁾	15/15
12. Mr. Pong Visedpaitoon	Director ⁽²⁾	13/15
13. Mr. Thong Chotira ⁽³⁾	Director ⁽²⁾	4/15
14. Mr. Sunthorn Arunanondchai	Director ⁽²⁾	13/15
15. Mrs. Arunee Watcharananan	Director ⁽²⁾	15/15

Note :

- (1) The Directors No.1, and 6-8 are independent directors whose possess the qualifications in accordance with the Notification of the Office of the Securities and Exchange Commission No. Kor Jor, 12/2543; Re: Application for permission and granting of permission to offer for sale new shares issued
- (2) The Directors No.2-5 and 9-15 are authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed.
- (3) Handed in the resignation letter, effective on 1 March 2008 onwards.

Composition of the Board of Directors

The Company's Board of Directors must consist of at least 5 directors and at least half of the directors must have residence within Thailand.

As of December 31, 2007, the Company's Board of Directors comprised 4 independent directors, 6 executive directors and 5 non-executive directors. The Board of Directors appoints the Honorary Chairman, the Chairman and the Vice Chairman who may hold an executive director position or a non-executive director position. In case of lack of independence of the chairman or a transaction in which the chairman has conflict of interest, the honorary chairman or an independent director shall preside as Chairman of the meeting in considering the matter.

Every member of the Company's Board of Directors has residence in Thailand, possesses business and industry-related experience, understands the business obstacles, performs work effectively, can create competitive advantage in the industry and can provide beneficial views on important risks. Furthermore, every member of the Board of Directors is a qualified person and does not have the qualifications which are prohibited under the Public Limited Company Act and the Notification of the Office of the Securities and Exchange Commission.

The Independent Directors possess the qualifications in accordance with the Notification of the Office of the Securities and Exchange Commission No. Kor Jor, 12/2543; Re: Application for permission and granting of permission to offer for sale new shares issued, briefly stated, the Independent Directors does not hold more than 1% of the voting shares of the Company, its subsidiaries, or others of the Company's connected persons, do not have any involvement with the Company in terms of management and/or provide professional services, do not have any business involvement with the Company, do not have any personal, business or other relationship with the Company or the management, do not represent any specific shareholder group, and do not have any financial or personal involvement with the Company, thus allowing independent judgment and ensuring that the interests of all shareholders are equally protected.

Appointment and Selection

Each director, including the independent director, has a 3-year term post, excluding the case of being the replaced director for the available position caused by other factors rather than by rotation. At every annual general meeting, one-third of the directors shall retire from office. If the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office. The directors serving the longest shall retire. The departing directors may be re-elected if approved by the shareholders. In case appoint of a new director, the Remuneration and Nominating Committee shall recruit persons with the qualifications, knowledge and expertise suitable for the position, and then propose them to the Board of Directors for considering to propose to shareholders for approval.



In case of a vacancy in the Director position, for reasons other than the completion of the term and the remaining term is at least two months, the Remuneration and Nominating Committee shall recruit persons with required qualification to the Board of Directors for the appointment to serve as Director in the next Board of Directors' Meeting. The resolution must be passed by at least three-fourths of the remaining number of directors.

The newly appointed director shall assume the position for the remaining term of the previous director. In assuming the position of Director, each director will receive important company information, the code of conduct of the Board of Directors that clearly prescribes the roles and responsibilities of directors, advice concerning the legal obligations, rules and regulations and conditions of being a Director of a listed company in the Stock Exchange of Thailand as well as an orientation of the Company's business.

Shareholders have the right to appoint the Board of Directors under the following criteria:

1. Each shareholder shall have a number of votes equal to one share per one vote.
2. Each shareholder must exercise all the votes he has in order to appoint an individual or several persons to be the director(s) but a shareholder shall not split his votes among any person or group of persons.
3. The persons receiving the highest number of votes in descending order shall be appointed as directors depending on the requirement of directors set at such time. In the event that a number of persons receive an equal number of votes for the last directorship rendering the number of directors more than which is required at such time, the chairman of the meeting shall have a casting vote.
4. At shareholder's meeting any director may be dismissed before retirement by rotation by the resolution of not less than three-fourths of the number of shareholder who attend the meeting and have the right to vote and collectively hold not less than half of the number of shares of the shareholders who attend the meeting and have the right to vote.

Roles and Responsibilities of the Board of Directors

The Board of Directors are appointed by the Company's shareholders who have considered the personal qualifications, knowledge, competency and ability of the person to devoting his/her time to perform duties for the Company to ensure that the director has the experience and knowledge to operate the business to maximize the benefits of all the stakeholders.

The Board of Directors have been entrusted by the shareholders to honestly and fairly manage the Company's business as indicated in the Memorandum of Association and in comply with the Articles of Association of the Company, the resolutions of the shareholders' meetings and related regulations. The Board of Directors, under the authority, may assign one or several directors or any other person to perform any act on its behalf with clear indication of roles and responsibilities to the assignee.

The Board of Directors regulates the policy and sets direction of the Company as well as oversees the duty performed by the management to ensure that it is still in line with the policy. The Board of Directors delegates authority and responsibility of day-to-day management to the President and top management respectively as well as appoints various committees to assist with specific operations. The duties of the Chairman of the Board and the President do not overlap. In assigning duties and responsibilities to manage the Company's operations to top management, the President is responsible to the Board of Directors.

In addition, the Board of Directors appoints the Corporate Secretary Office to provide counsel and assist the Board of Directors in the areas of legal and corporate compliance. The Corporate Secretary Office also coordinates with and takes care of the Company's shareholders to ensure that they receive appropriate treatment.

The Board of Directors' roles and responsibilities in managing the Company's business include:

1. Determining the Company's overall business policy, financial policy, funding policy and risk management policy
2. Approving the Company's budget and investment plans and overseeing the development of the plans
3. Overseeing the Company's business according to set goals and determining ways to overcome obstacles
4. Arranging for the Company's general and financial information to be reported to shareholders and stakeholders in an accurate and timely manner according to the law
5. Acknowledging the audit report on material issues and determining ways to remedy in case there is any deficiency
6. Reviewing the adequacy and appropriateness of the Company's internal control systems and risk management
7. Arranging for the Company's Succession Plan

Audit Committee

CPF's Audit Committee was appointed by the Board of Directors to assist the Board of Directors with overseeing the efficiency and effectiveness of financial reporting, internal control and risk management, internal audit and compliance to related rules and regulations and business ethics.

The present Audit Committee was appointed by the Board of Directors on December 19, 2005 to be the members for another term of 3 years. The Audit Committee comprises 4 independent directors who have no management duties as follows:

Name	Position	at the meeting during 2007
1. Pol. Gen. Pow Sarasin	Chairman of the Audit Committee	10/10
2. Mr. Arsa Sarasin	Member	7/10
3. Professor Dr. Athasit Vejjajiva	Member	10/10
4. Mr. Thanong Tempangpun	Member	10/10
Mr. Voravit Janthanakul carries out duties as Secretary of the Audit Committee.		

The Board of Directors appoints the Chairman and Secretary of the Audit Committee. The Secretary of the Audit Committee has no voting right. At least one committee member must have knowledge, understanding and experience in accounting and finance and be consistently knowledgeable of events affecting the changes in financial reporting. The Audit Committee can seek advice from an independent specialist.

The term of service of committee members is 3 years to ensure continuity of the performance of the work of the Audit Committee. A departing committee member may be re-appointed for another term. In case that any committee member wishes to resign before the expiration of his term of service, he should give a written notice one month in advance. A new committee member who replaces a resigning committee member assumes the remaining term of service of the departing committee member.



In each Audit Committee meeting, the Audit Committee is empowered to invite the President, Chief Operating Officer, Chief Financial Officer, management, Auditor and Head of the Internal Audit Office to attend the meeting for clarification purposes. In necessary cases, the Audit Committee may also meet with the Internal Audit Office and the Company's Auditor without management of an ad hoc basis.

Roles and Responsibilities of the Audit Committee

The Audit Committee's roles and responsibilities are as follows:

1. Reviewing the financial statements to properly report and sufficient disclose
2. Reviewing the proper and effectiveness of the internal control and auditing
3. Reviewing compliance to related rules and regulations to business, include those of the Stock Exchange of Thailand
4. Considering the selection and appointment of the auditor and the annual audit fee
5. Reviewing the Company's information disclosures related to connected transactions and/or possible conflicts of interest to correctly and sufficiency report
6. Preparing the Corporate Governance report and the Audit Committee's report proposing to the Board of Directors and disclosing in the Company's annual report.
7. Carrying out other duties, that they agree on, as assigned by the Board of Directors.

The Remuneration and Nominating Committee

CPF's Remuneration and Nominating Committee was appointed by the Board of Directors on February 8, 2006. Its main duties are to select qualified persons with proper knowledge, ability and experience to assume positions in the Board of Directors, including set remuneration framework and then propose to the Board of Directors for considerations.

The Remuneration and Nominating Committee comprises 3 members, with term of 3 years. The 2 members are independent directors, and another is the President namely as follows:

Name	Position	at the meeting during 2007
1. Pol. Gen. Pow Sarasin	Chairman	1/1
2. Mr. Arsa Sarasin	Member	1/1
3. Mr. Adirek Sripratak	Member	1/1

The Board of Directors appoints the Chairman and member of the Remuneration and Nominating Committee. The Chairman appoints secretary of the Committee. The term of service of committee members is 3 years to ensure continuity of the performance of the work. The term may be changed by the approval from the Board of Directors. A departing committee member may be re-appointed for another term upon the agreement from the Board of Directors. In case that any committee member wishes to resign before the expiration of his term of service, he should give a written notice one month in advance.

The meeting of Remuneration and Nominating Committee shall be held at least 1 time a year. Addition meetings shall be properly arranged upon the agreement of its Chairman. In each Committee meeting, the Committee is empowered to others person such as the Company's executives and/or external consultants to attend the meeting for clarification purposes.

Roles and Responsibilities of the Remuneration and Nominating Committee

1. In case of a Directorship vacancy, the Committee shall propose persons, who has already been through the selection process and are qualified to assume that positions to the Board of Director for considerations.
2. Review the structure, size, and composition of the Board of Directors, and suggest any appropriate change if any.
3. Assess the performance of the Board of Directors annually
4. Set and review proper remuneration policy, guidelines, and compensation of the Board of Directors in accordance with their responsibilities as well as in comparison to the industry average. The benefit that the Company shall have from each Director is also a factor for considering his/her compensation. However, the compensation should have been in accordance with policy set by the Board of Directors by considering his/her performance results in relation to the Company's operating performance. Any change in the remuneration from the existing shareholder's approval must be approved by the shareholders.
5. Others matters related to its duties that required by the Board of Directors.

Orientation of a new Director

The Company shall have the orientation for its new appointed directors by attending the program of the Thai Institute of Directors Association. The objectives are to be acknowledged of the following information.

1. The Role of Director and its Legal Responsibilities
2. The Directors' Guidelines of Practicing its Role according to Regulations and Guidelines of the Stock Exchange of Thailand together with the Stock Exchange Committee, and also the Corporate Governance Principles.



Executive Committee

The Board of Directors appoints the Executive Board by considering persons with qualifications, knowledge, competency and experience related to the Company's business to assist with efficient and effective management of operations according to the Company's policies and objectives laid down by the Board of Directors. As of December 31, 2007, CPF's Executive Board consists of the following members:

Name	Position
1. Mr. Chingchai Lohawatanakul	Chairman of the Executive Board
2. Mr. Adirek Sripratak	President and Chief Executive Officer (CEO)
3. Mr. Pong Visedpaitoon	Chief Operating Officer (COO)
4. Mr. Phongthep Chiaravanont	Executive Director
5. Mr. Thong Chotirat Executive	Director
6. Mrs. Arunee Watcharananan	Executive Director
7. Mr. Voravit Janthanakul	Executive Director
8. Mr. Teerasak Urunanon	Executive Director
9. Mr. Vitit Pootanasap	Executive Director
10. Ms. Patchara Chartbunchachai	Executive Director
11. Mr. Paisan Chirakitcharenn	Chief Financial Officer (CFO) and Secretary

The Board of Directors appoints the Chairman of the Executive Board, Chief Executive Officer, Chief Operating Officer, and the Secretary of the Executive Board. In the case that the Chairman of the Executive Board is unable to attend the Executive Board meeting, he will assign the President or the Chief Operating Officer to act as Chairman of the meeting. In each meeting, the Executive Board may invite other persons such as management representatives

and/or external advisors to attend the meeting if deemed necessary.

The primary responsibilities of the Executive Board include the following:

1. Determine the goals and strategies of each business as well as set up policies on human resources performance appraisals and remuneration.
2. Scrutinize budgets and investment decisions of each business before submitting to the Board of Directors for approval and subsequently adjust the approved budgets to be suitable for the changing situation, if there is any
3. Follow-up on the operating performance and the progress of investment projects in each business as well as performance report, problems and obstacles encountered and possible solutions to the Board
4. Follow and monitor developments in management and risk management system of each business.
5. Follow and monitor human resource development, management promotion and rotation in each business according to the Company's plans.
6. Evaluate alternative sources of funding necessary for various investment projects to be approved by the Board of Directors.
7. Follow and monitor uses of funds, fund management and financial status of each business.



Management

As of March 31, 2008, CPF management comprises the following:

Name	Position
1. Mr. Adirek Sripratak	President, Chief Executive Officer (CEO) and Chief Operating Officer - Livestock Business
2. Mr.Pong Visedpaitoon	Chief Operating Officer - Aquaculture Business
3. Mr. Teerasak Urunanon	Executive Vice President, Livestock Food Processing Unit
4. Mr. Virachai Ratanabanchuen	Executive Vice President, Livestock Feed Unit
5. Mr. Anek Boonnoon	Executive Vice President, Regional Integration Unit
6. Mr. Vitit Pootanasap	Executive Vice President, Aquatic Feed Unit
7. DVM Sujint Thammasart	Executive Vice President, Aquatic Research & Development Unit
8. Mr. Prajit Udnoon	Executive Vice President, Poultry Research & Development Unit
9. Mr. Somkuan Choowatanapakorn	Executive Vice President, Swine Research & Development Unit
10. Mr. Sommai Tachasirinugune	Executive Vice President, Aquatic Food Processing Unit
11. Mr. Pisit Ohmpornnuwat	Executive Vice President, Foods Trading Unit
12. Mr. Sukhawat Dansersuk	Executive Vice President, Ready Meal Unit
13. Mr. Voravit Janthanakul	Executive Vice President, General Administration Unit
14. Mr. Praderm Chotsuparach	Executive Vice President, Information Technology & Application Unit
15. Mr. Tinakorn Ruenthip	Executive Vice President, Human Resource Unit
16. Mr. Paisan Chirakitchareern	Chief Financial Officer

Roles and Responsibilities of the President

The President, who has the highest management position in the Company, is appointed by the Board of Directors to manage the operations of the Company in order to achieve the Company's objectives and goals set by the Board of Directors, be responsible for governance of the Company to create maximum benefits for all stakeholders with appropriateness and fairness, and oversee the disclosure of the Company's general and financial information according best practices. In addition, the President has authority in carrying out duties according to the Company's policies and scope of authority, except authority in the following matters which must be approved by the Board of Directors:

1. Accepting credit line or borrowing money from financial institutions
2. Lending money or providing financial assistance to other parties except for short-term loans to subsidiaries in which the Company directly or indirectly holds shares in excess of 90 percent
3. Investing in or divesting from other companies
4. Approving new investment projects except for projects that have been approved in the shareholders' meeting or Board of Directors' meeting
5. Entering into connected transactions according to the rules and regulations of the Stock Exchange of Thailand
6. Entering into the acquisition or disposition of substantial assets that must be processed according to the rules and regulations of the Stock Exchange of Thailand
7. Matters in which the President or connected persons to the President may have a conflict of interest with CPF or its subsidiaries
8. Other matters that as prescribed by the laws must be approved by the Board of Directors or the shareholders' meeting

Selection of Management

The Board of Directors assigns the Executive Committee to be responsible for selecting qualified persons with knowledge, competency and related experience to assume senior management positions.

Remuneration of Management

The Board of Directors assigns the Executive Committee to determine and review the remuneration for the Company's management in accordance with their responsibilities and performance results in relation to the Company's operating performance as well as in comparison to the industry average.



Remuneration for the Board of Directors

Cash remuneration In 2007, the total remuneration for 15 members of the Board of Directors was THB 26.6 million in accordance with the approval of the shareholders at the Annual General Meeting of Shareholders No. 1/2007 held on 25 April 2007, with details as follows:

Name	Remuneration in 2007 (THB)
1. Pol. Gen. Pow Sarasin	3,500,000
2. Mr. Dhanin Chearavanont	2,800,000
3. Mr. Prasert Poongkumarn	2,100,000
4. Mr. Min Tieworn	2,100,000
5. Mr. Chingchai Lohawatanakul	2,100,000
6. Mr. Arsa Sarasin	1,400,000
7. Professor Dr. Athasit Vejajiva	1,400,000
8. Mr. Thanong Termpanpun	1,400,000
9. Mr. Phongthep Chiaravanont	1,400,000
10. Dr. Veeravat Kanchanadul	1,400,000
11. Mr. Adirek Sripatak	1,400,000
12. Mr. Pong Visedpaitoon	1,400,000
13. Mr. Thong Chotirat	1,400,000
14. Mr. Sunthorn Arunanondchai	1,400,000
15. Mrs. Arunee Watcharananan	1,400,000

Other Remuneration None

Remuneration for the Audit Committee

Cash Remuneration In 2007, the total remuneration for 4 members of the Audit Committee was THB 7.7 million with details as follows:

Position	Remuneration in 2007 (THB)
Chairman of the Audit Committee	3,500,000
Member	1,400,000

Other Remuneration None

Remuneration for the Executive Board and Management

Cash Remuneration In 2007, the total remuneration, including monthly salary and bonus, for 10 members of the Executive Board and the management of CPF amounted to THB 128 million.

Other Remuneration None

กุ้งฟิงเกอร์ ซีพี



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มีจำหน่ายที่ ร้าน  และซูเปอร์มาร์เก็ตชั้นนำทั่วไป





Brief profile of Directors and Management

Pol.Gen. Pow Sarasin

79 years of age

Honorary Chairman, Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration and Nominating Committee

Education

- Bachelor of Criminology from University of California, USA
- Bachelor of Science in Chemistry from Johns Hopkins University, USA
- Honorary Doctorate in Public Administration from Ramkamhaeng University, Thailand
- Commercial Defense College, Thailand
- Enrollment in Directors Accreditation Program No. 5/2003, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 880,000 shares, equivalent to 0.0117%

Family relations with other executives

- Elder brother of Mr. Arsa Sarasin

Work Experience for the past 5 years

- Vice Chairman, Kasikornbank Plc.
- Director, Quality House Plc.
- Director, Siam Food Products Plc.



Mr. Dhanin Chearavanont

69 years of age

Chairman of the Board of Directors

Education

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

Family relations with other executives

- Cousin of Mr. Phongthep Chiaravanont

Work Experience for the past 5 years

- Chairman and Chief Executive Officer, Charoen Pokphand Group Co., Ltd.
- Chairman, True Corporation Plc.
- Chairman, C.P. All Plc.
- Honorary Chairman, Siam Makro Plc.
- Director, True Move Co., Ltd.



Mr. Prasert Poongkumarn

72 years of age

Vice Chairman

Education

- Honorary Doctorate in Social Development from Prince of Songkla University, Thailand
- Honorary Doctorate in Agriculture from Jejiang University, Chengchou province, the People's Republic of China
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Family relations with other executives

- Brother-in-Law of Mr. Phongthep Chiaravanont

% shareholding in the Company as of December 31, 2007

- 1,809,283 shares, equivalent to 0.0241%

Positions in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, C.P. Food Product (Shanghai) Co., Ltd.
- Director, Charoen Pokphand (India) Private Limited

Work Experience for the past 5 years

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



Mr. Min Tieworn

72 years of age

Vice Chairman

Education

- Honorary Professor in Economics from Jejiang University, Chengchou province, the Peoples Republic of China
- Honorary Doctorate in Sociology and Anthropology from Ramkhamhaeng University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, CPF Investment Limited

Work Experience for the past 5 years

- Director, Charoen Pokphand Group Co., Ltd.
- Director, CPPC Plc.





Brief profile of Directors and Management

Mr. Chingchai Lohawatanakul

69 years of age

Vice Chairman

Education

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

% shareholding in the Company as of December 31, 2007

- 3,139,140 shares, equivalent to 0.0417%

Positions in the Company's subsidiaries

- Director, C.P. Merchandising Co.,Ltd.
- Director, C.P. Aquaculture (Beihei) Co., Ltd.
- Director, C.P. Aquaculture (Dongfang) Co., Ltd.
- Director, C.P. Aquaculture (Hainan) Co., Ltd.
- Director, CPF Investment Limited

Work Experience for the past 5 years

- Director, Charoen Pokphand Group Co., Ltd.



Mr. Arsa Sarasin

71 years of age

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

Education

- Bachelor degree in Business Administration from Boston University, USA
- Enrollment in Directors Accreditation Program No. 5/2003, the Thai Institute of Directors
- Enrollment in Audit Committee Program NO.19/2007, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 1,600,000 shares, equivalent to 0.0213%

Family relations with other executives

- Younger brother of Pol. Gen. Pow Sarasin

Work Experience for the past 5 years

- Principal Private Secretary to His Majesty the King of Thailand
- Chairman, Siam Makro Plc.
- Chairman, Padaeng Industry Plc.
- Director, Siam Cement Plc.
- Director, Thai Pure Drinks Co.,Ltd.



Professor Dr. Athasit Vejjajiva

72 years of age

Independent Director and a member of the Audit Committee

Education

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

the Thai Institute of Directors

Work Experience for the past 5 years

- Honorary Doctorate, Mahidol University



Mr. Thanong Termpangpun

71 years of age

Independent Director and a member of the Audit Committee

Education

- Master of Business Administration from the American University, USA
- Bachelor Degree in Accounting and in Commerce, Thammasat University, Thailand
- Enrollment in Directors Certification Program No. 9/2001, the Thai Institute of Directors

Work Experience for the past 5 years

- Advisor, Worachak International Co., Ltd.





Brief profile of Directors and Management

Mr. Phongthep Chiaravanont

58 years of age

Director and Executive Director

Education

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

% shareholding in the Company as of December 31, 2007

- 500,000 shares, equivalent to 0.0066%

Family relations with other executives

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

Positions in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Chief Executive Officer, Charoen Pokphand (USA), Inc.

Work Experience for the past 5 years

- Director, Charoen Pokphand Group Co., Ltd.



Dr. Veeravat Kanchanadul

70 years of age

Director



Education

- Doctorate in Business Administration from University of Illinois, USA
- Chairman Program 7/2002, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 15,605,170 shares, equivalent to 0.2075%

Positions in the Company's subsidiaries

- Director, CPF Investment Limited

Work Experience for the past 5 years

- Honorary President, Association of Listed Companies
- Senior Director, National Institute of Development Administration, Thailand
- Director, Program for Joint Doctorate in Business Administration
- Director, Thammasat University Council

Mr. Adirek Sripratak

62 years of age

President, Chief Executive Officer, a member of the Remuneration and Nominating Committee and Acting Chief Operating Officer - Livestock Business

Education

- Honorary Doctorate in Science from Maejo University, Thailand
- Honorary Doctorate in Economics, Chiang Mai University
- Enrollment in Directors Certification Program No. 5/2001, the Thai Institute of Directors
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 8,500,000 shares, equivalent to 0.1130% (increased 2,500,000 shares from as of December 31, 2006)

Family relations with other executives

- Elder brother of Mrs. Arunee Watcharananan

Positions in the Company's subsidiaries

- Chairman, Bangkok Agricultural Products Plc.
- Chairman, Bangkok Produce Merchandising Plc.
- Chairman, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Product Co., Ltd.
- Director, CPF Logistics Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CP-Yonekyu Co., Ltd.
- Director, CPF Training Center Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Charoen Pokphand (India) Private Limited
- Director, CPF Investment Limited
- Director, C.P. Laos Co., Ltd.

Work Experience for the past 5 years

- Honorary Chairman of the Thai Broiler Export Association
- Director, CP All Plc
- Honorary Director, Chiang Mai University Council
- Advisor to Executives, Chiang Mai University





Brief profile of Directors and Management

Mr. Pong Visedpaitoon

63 years of age

Director, Executive Director and Chief Operating Officer - Aquaculture Business

Education

- Honory Doctorate in Fisheries from Maejo University, Thailand
- Enrollment in Accreditation Program on May 4, 2005, the Thai institute of Directors

Position in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.
- Director, Asia Aquaculture (M) Sdn. Bhd.
- Director, Calibre Nature (M) Sdn. Bhd.
- Director, Charoen Pokphand Foods Philippines Corporation
- Director, Star Feedmills (M) Sdn. Bhd.



Mr. Thong Chotirat

57 years of age

Director and Executive Director

Education

- Professional Diploma from Rajamangala Institute of Technology Bangkok Commerce Campus, Thailand
- Honory Bachelor in Science Economics and Agricultural Administration from Rajamangala Institute of Technology, Bangpra, Thailand



Mr. Sunthorn Aruanodchai

66 years of age

Director

Education

- Master of Business Administration from University of Arkansas, USA
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 14,248,299 shares, equivalent to 0.1888%

Work Experience for the past 5 years

- President, C.P. Land Co., Ltd.
- Chairman, Ek-Chai Distribution System Co.,Ltd.



Mrs. Arunee Watcharananan

60 years of age

Director and Executive Director

Education

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

Family relations with other executives

- Younger sister of Mr. Adirek Sripratak

Position in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.
- Director, Charoen Pokphand Northeastern Plc.
- Director, C.P. Merchandising Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.
- Director, CPF Investment Limited

% shareholding in the Company as of December 31, 2007

- 7,639,999 shares, equivalent to 0.1016%

Work Experience for the past 5 years

- Vice President-Finance, Charoen Pokphand Group





Brief profile of Directors and Management

Mr. Voravit Janthanakul

62 years of age

Executive Director and Executive Vice President, General Administrative

Education

- Master of Business Administration from Thammasat University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.
- Director, Bangkok Produce Merchandising Plc.
- Director, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, Charoen Pokphand Industry Co., Ltd.
- Director, C.P. Agro-Industry Co., Ltd.
- Director, C.P. Food Products Co., Ltd.
- Director, CPF Logistics Co., Ltd.
- Director CPF Training Center Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, B.P. Feedmill Co., Ltd.
- Director, Bangkok Farm Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.
- Director, Universal Foods and Marketing Co., Ltd.
- Director, Rajburi Feedmill Co., Ltd.
- Director, CPF Trading Co., Ltd.
- Director, International Pet Foods Co., Ltd.



Mr. Teerasak Urunanon

59 years of age

**Executive Director and Executive Vice President,
Livestock Food Processing Unit**

Education

- Professional Diploma from Thonburi Commercial College, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 21,000 shares, equivalent to 0.0003%

Positions in the Company's subsidiaries

- Director, Bangkok Produce Merchandising Plc.
- Director, CPF Food Products Co., Ltd.
- Director, CPF Logistics Co., Ltd.

Work Experience for the past 5 years

- Executive Director of the Thai Feedmill Association



Mr. Vitit Pootanasap

55 years of age

Executive Director and Executive Vice President, Aquatic Feed Unit

Education

- Bachelor degree in Business Administration, Ramkhamhaeng University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 12,100 shares, equivalent to 0.0002%

Positions in the Company's subsidiaries

- Director, Pokphand Aquatech Co., Ltd.





Brief profile of Directors and Management

Mr. Virachai Ratanabanchuen

59 years of age

Executive Vice President, Livestock Feed Unit

Education

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

% shareholding in the Company as of December 31, 2007

- 200,230 shares, equivalent to 0.0027% (increased 200,000 shares from 31 December 2006)

Positions in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.

- Director, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, CP-Yonekyu Co., Ltd.
- Director, CPF Trading Co., Ltd.
- Director, C.P. Laos Co., Ltd.
- Director, Charoen Pokphand Industry Co., Ltd.
- Director, B.P. Feedmill Co., Ltd.
- Director, Rajburi Feedmill Co., Ltd.

Work Experience for the past 5 years

- President, Thai Feedmill Association



Mr. Anek Boonnoon

55 years of age

Executive Vice President, Regional Integration Unit



Education

- Bachelor degree in Agriculture, major in Veterinary Sciences, Kasetsart University, Thailand

Positions in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.
- Director, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, Charoen Pokphand Industry Co., Ltd.
- Director, C.P. Agro-industry Co., Ltd.
- Director, Rajburi Feedmill Co., Ltd.

DVM. Sujint Thammasart

55 years of age

Executive Vice President, Aquatic Research & Development Unit

Education

- Bachelor degree in Veterinary Medicine, Kasetsart University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, Seafoods Enterprise Co., Ltd.
- Director, Shrimp Improvement Systems (Thailand) Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.



Mr. Prajit Udnoon

58 years of age

Executive Vice President, Poultry Research & Development Unit

Education

- Bachelor of Science in Animal Husbandry, Chiang Mai University
- Enrollment in Director Accreditation Program on May 4, 2005, the Thai Institute of Directors

Position in the Company's Subsidiary

- Director, Charoen Pokphand Northeastern Plc.





Brief profile of Directors and Management

Mr. Somkuan Choowatanapakorn

60 years of age

Executive Vice President, Swine Research & Development Unit

Education

- Master of Animal Breeding, Kasetsart University
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.
- Director, Bangkok Food Products Co., Ltd.



Dr. Sommai Tachasirinugune

53 years of age

Executive Vice President, Aquatic Food Processing Business

Education

- Doctorate in Poultry Nutrition, Oregon State University

% shareholding in the Company as of December 31, 2007

- 232,850 shares, equivalent to 0.0031%



Mr. Pisit Ohmpornnuwat

54 years of age

Executive Vice President, Foods Trading Unit

Education

- Professional Diploma from Assumption Commercial College
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% Shareholding in the Company as of December 31, 2007

- 83,700 shares, equivalent to 0.0011%

Position in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, Aqua Beauty, Inc.
- Director, CP Foods (UK) Limited
- Director, CP Foods West, Inc.
- Director, CPF Denmark, A/S
- Director, CPF Europe S.A.
- Director, CPF Tokyo Co., Ltd.



Mr. Sukhawat Dansersmsuk

58 years of age

Executive Vice President, Ready Meal Unit



Education

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

Position in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, C.P. Food Products Co., Ltd.
- Director, International Pet Foods Co., Ltd.
- Director, Universal Foods and Marketing Co., Ltd.
- Director, CP Foods West, Inc.



Brief profile of Directors and Management

Mr. Praderm Chotsuparach

59 years of age

Executive Vice President, Information Technology and Application

Education

- Master of Business Administration, Chulalongkorn University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, CPF IT Center Co., Ltd.



Mr. Tinakorn Ruenthip

58 years of age

Executive Vice President, Human Resources



Education

- Bachelor of Public Administration, Chulalongkorn University
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, CPF Training Center Co., Ltd.

Mr. Paisan Chirakitcharern

49 years of age

Executive Director and Chief Financial Officer

Education

- Master of Business Administration from National Institute of Development Administration, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

Positions in the Company's subsidiaries

- Director, Bangkok Agricultural Products Plc.

- Director, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, Charoen Pokphand Industry Co., Ltd.
- Director, C.P. Agro-industry Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, B.P. Feedmill Co., Ltd.
- Director, Rajburi Feedmill Co., Ltd.
- Director, CPF Europe S.A.
- Director, CP Foods (UK) Limited
- Director, CPF Denmark A/S
- Director, CPF Tokyo Co., Ltd.



Miss Patchara Chartbunchachai

50 years of age

Executive Director



Education

- Bachelor Degree in Accounting from Thammasat University, Thailand
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors

% shareholding in the Company as of December 31, 2007

- 461,000 shares, equivalent to 0.0061%

Positions in the Company's subsidiaries

- Director, Chanthaburi Aquaculture Farm Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CP- Yonekyu Co., Ltd.
- Director, C.P. Agro-industry Co., Ltd.
- Director CPF Training Center Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Trad Prawn Culture Center Co., Ltd.
- Director, Savee Farming Co., Ltd.



Personnel

As of December 31, 2007, CPF's number of employees and labors are 23,337 persons, classified according to business units as follows:

Business	Unit Persons
1. Livestock Business	8,748
2. Aquaculture Business	14,589
Total	23,337

CPF remunerated to its employees in 2007 at a total of THB 4,491 million including salary, wage, bonus, welfare, training fees and employee's insurance fees.

Human Resource Development Policy

Human resource is the material factor for the success of the Company. In this respect, every level of personal has to receive the enhancement of their competency in performing their duties. In addition, having the good and proper working value shall also support the Company efficiently reach its target setting. Thus, the Company has always handled the People Development as its key role and responsibility. This activity is part of the encouragement and support the systematic and sustainability growth of the Company. The Company, then, placed its major People Development Plan as follows.

1. Firmly intend to promote CPF Way as the cultural foundation leads to firmly and sustainability success. Those are Innovation, Achievement Orientation, Personal Mastery & Share Learning, Receptive to Change, and Integrity & Honesty.
2. Focus on training leaders who post ability to manage business globally. Aim is to create leaders who employees dedicate their effort in perform and develop the duties' efficiency according to business success. Moreover, there are also to be leaders who are able to encourage belief in perform duties with integrity, transparency, sustainability. All those are the important foundation skills to compete in the present global market.
3. Intend to enhance the personal skill from learning, research, and deliver their experience always. Those are through the modern way of learning and Knowledge Management which are the exchange of accumulated present knowledge and experience. This is to encourage the rapid and efficiency of effective performance. The CPF Training Center is the central of the development and policy planning to extend the corporate capability through its personal competency. The plan is always developed according to business strategy.

- 4 Intend to create sustainability success through Talent program. This is to support the business growth and find the business successor for the future. All these are the important foundations for the growth of business through both internal and external selection.
- 5 Indicate the Internal Relations Cycle as Recruitment and Selection Center. This is to draw the recruitment guidelines, recruit potential person who is ready for the competency development for the current and future business needs.
- 6 Set and provide coordination to public activities that benefit in instilling personal to post social responsibility.



Corporate Governance

Right of Shareholders and Equitable Treatment of Shareholders

The Board of Directors fully realizes the importance of good corporate governance and jointly agrees it would increase efficiency and ability to compete and would give valuation to the Company and benefits shareholders in the long run. Corporate governance will be carried out in honesty and with the best interest of the Company and shareholders in mind. On December 19, 2005, the Board of Directors had approved the Corporate Governance Policy which reflects corporate values and outlines to management and staff good corporate governance practices and the right of shareholders according to law.

Moreover, the Company provides pertinent information to shareholders in a timely manner to aid in their decision-making. In addition to disclosing information in accordance to regulations of the Security Exchange of Thailand, the Company disseminates information through Company website and monthly newsletter.

The Company gives equitable treatment to all shareholders. During annual general shareholders' meeting, shareholders who show up late will be allowed to attend and participate. All shareholders attending the meeting will be given opportunity to comment or address questions to Directors and company top management. The annual general shareholders meeting of 2007 was conducted according to the agenda outlined and issued with the meeting invitation. There was no change or surprised agenda added during the annual general shareholders' meeting.

The Company gives shareholders the opportunity to propose topics to be included in the agenda of forthcoming shareholders meeting and names of qualified persons to be considered as board members as well as questions they would like to raise during the annual general shareholders' meeting. The Board of Directors has stipulated the rules in submitting the abovementioned matters which includes submission channels and timeline and posted on Company website since January 2008.

In 2007 the Company had posted information regarding the annual general shareholders' meeting on its website one month prior to the meeting date. The information posted on the web is the same as those mailed to shareholders 14 days before the meeting date. On the meeting invitation, the following information is provided – date, time and venue of meeting, meeting agenda, procedures and documents needed for registration and proxy form which could be signed over to either the Chairman of the Audit Committee or members of the Audit Committee in case shareholder could not attend the meeting. Instruction as to where to send the proxy form is also given.

In addition, the Company supplied adequate information on subject matters that needed to be reviewed and voted by shareholders during the meeting. However, on last year's meeting invitation, there was no notice on how shareholders could raise questions about the meeting agenda to the Board of Directors prior to the meeting date. This has been corrected on the meeting invitation for the 2008 annual general shareholders' meeting to be held in April.

In 2007 prior to the start of the annual general shareholders' meeting, the Company made announcement on rules to be used in conducting the meeting including the voting procedures. In that meeting there were 16 board members and top executives attending including the President, Chairman of the Audit Committee, Chairman of the Remuneration and Board Selection Committee, Chief Operating Officer and Chief Financial Officer. The annual general shareholders' meeting of 2007 was held at CP Tower on Silom Road, Bangrak District, Bangkok. Snacks and beverages were provided to shareholders at the reception/registration area prior to the start of the meeting. To facilitate the registration procedure, the Company resorted to using bar code system.

As the Chairman and Vice Chairman of the Board of Directors could not attend the meeting, Honorary Chairman/ Independent Director/ Chairman of the Audit Committee was appointed by the floor to chair the meeting. Shareholders were given the opportunity to voice their opinion or ask questions on all issues listed on the meeting agenda. With regard to the voting procedure, ballots were used in cases where shareholders voted against or wished to abstain from voting. Minutes of Meeting was recorded and reported. It comprised of two sections. The first listed names of directors and top executives in attendance, and information such as time meeting started and ended, total voting rights and the voting procedures. The second summarized the meeting agenda by listing each issue with questions raised by shareholders and addressed by the directors and/or top executives. Voting results were shown with total numbers of vote "for," "against," and "abstained." The Minutes of Meeting was submitted to the Security Exchange of Thailand within 14 days after the meeting date as well as being posted on the Company website.

With regard to transactions of Company shares, it is stipulated in the Company's rules and regulations that directors, top executives and officers of the Company Secretary Office and Investors Relations Office are responsible to report any sales or changes in shares holding to the Securities and Exchange Commission. Presently, the Company is working to incorporate the rules and regulations into the working procedures for internal use.

The Company dictates that connected directors and executives have to report their related party transactions at each calendar year end. It is a standing principle that connected directors and executives will not be allowed to participate in the deliberation and decision making of related party transactions.

The Board of Directors closely guards to avoid conflicts of interest which starts with setting up of committees and sub-committees in accordance with good corporate governance. Employees are indoctrinated to work with honesty and fairness and to abide by the law. Internal company information is not to be used for personal gain.

In case of transactions that may cause conflicts of interest between the Company and its subsidiaries, relevant information will be disclosed for transparency purpose. Connected persons will not be permitted to participate in the approval of such transaction.



Role of Stakeholders

The Company will deal with all stakeholders including shareholders, suppliers and service providers and customers on the basis of honesty, fairness and transparency. The Company will not seek personal gains at the expense of the stakeholders nor divulge their confidential information.

The Company is committed to continuous development and sustainable business with responsibility towards the community and country under which it operates. Corporate Social Responsibilities include activities which benefit development of the community and the environment and their sanitation and safety. Above all, the Company is a loyal subject of the monarchy and the royal family.

The Board of Directors realizes the importance of operating under the law and rules and regulations of the government agencies. Company's business ethics do outline the protocol and suggest impartiality on politics. Moreover, the Company encourages employees to participate in political activities that are lawful.

The Company has set up a Safety, Health and Environment (SHE) Committee to be responsible for all activities relating to this issue. Company's processing plants in Thailand were the first to start SHE activities last year.

To encourage communications between top executive and employees of all levels, CEO Website has been created as a channel to receive comments, suggestions or issues employees wish to bring to the attention of the CEO. Names of employee will be kept confidential. There is also a Call Center number (02-800-8000) to receive comments and complaints. Complaints will be sent to respective department for verification and corrective action.

Information Disclosure and Transparency

The Company is in full compliance with the rules and regulations of the Securities and Exchange Commission and of the Stock Exchange of Thailand with regard to disclosure of financial and non-financial information. The disclosure is complete and within the specified timeframe and covers the responsibility of the Board of Directors on financial reporting.

Company website is another channel that the general public can access information, available in both Thai and English, about Company's various businesses and products, structure of shareholding, good corporate governance, business ethics, annual report, etc. The website is also linked to website of the Stock Exchange of Thailand.

Investors Relations Office has been established since 1999 and is under the direct supervision of the Chief Executive Officer. One of the activities of this unit is to organize meetings with financial analysts and domestic and foreign investors. In the past year, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and other top executives had participated in such meetings. The Investors Relations Office can be contacted through clearly indicated avenues.

Responsibilities of the Board

As of March 31, 2008, the Board of Directors consists of 14 members. There are four independent directors, six executive directors and four non-executive directors. Chairman of the Board and the President are two separate persons.

The Board of Directors has the authority and duties of supervising and ensuring business is conducted in accordance with the Company objectives. They are to enforce free and fair operations that take into consideration the best interest of shareholders and stakeholders. They are to stay away from routine managerial tasks and activities under the responsibility of the President and of the executive directors.

The four independent directors are not connected to the Company or its management in any way. They do not represent any specific shareholder or group of shareholder and have no financial or personal connection with the Company. Thus, they are able to freely provide equitable treatment and protect the interest of all shareholders. They have all necessary qualifications and comply with the requirement stipulated in the announcement 12/2543 of the Securities and Exchange Commission on owning less than 1% of total common shares and have no business connection with the Company.

Every board member is experienced in his respective field which in composite will be beneficial to the operation of the Company. They possess understanding of business obstacles and abilities to solve problems and create competitive advantage as well as providing insights to managing important risks. All board members meet the criteria set forth by the Securities and Exchange Commission and the law regarding public listed company.

Upon joining the board, each member is provided important information on Company rules and regulations, roles and responsibility of the board members, laws, regulations, and conditions on being board member of a public listed company and a thorough briefing and touring to observe Company's various businesses and operations.

The first term of board directorship is three years. The retiring director can be re-elected to the board with the approval of shareholders. In case of electing a new director, the Board of Directors must select qualified person to fill the position. Should the Board deemed appropriate to re-elect the retiring director, the board must present reasoning to the shareholders for their approval.

In case a director, for whatever reason, left the Board before the term expires (with more than two months left in the term), the Board of Directors can elect a qualified person who meets all the criteria required by law to fill the void. However, this person must receive majority vote of no less than three quarter of the remaining directors. The newly elected director can only be on the Board until the term of the director he is replacing expires.

The Board of Directors is responsible to ensure management is operating under the strategy and plan set for the greatest benefits of all stakeholders. The President and other top executives are responsible for managing routine tasks and appointing various committees and sub-committees to supervise specific areas of operation.

Functions and duties of the Chairman of the Board and that of the President do not overlap. The President reports to the Board of Directors and is responsible to delegate works and responsibility to other executives further down the chain of command.



The Company Secretary Office is set up by the Board of Directors to assist and advise board members on issues relating to corporate governance and to coordinate and ensure equitable treatment of all shareholders.

Monthly board meeting is held and it is a mandate that all board members must attend. In case that certain board member could not attend, details and minutes of the meeting will be briefed to that particular member.

Chairman of the Board has assigned the President to be in charge of the meeting agenda in conjunction with Chief Financial Officer and Company Secretary.

Company Secretary will prepare and submit relevant information needed for the board meeting along with meeting notice to board members no less than seven calendar days before date of meeting for their review and consideration. Management executive(s) responsible for issues to be raised in the board meeting will be invited to present for board's approval. Every board member is free to question or give opinions on the subject matter. Additional information may be requested or advice from independent consultant may be needed depending on the situation.

In case where certain board member has conflict of interest on the issue up for consideration, that board member will make the fact known to the Board and will not participate in the decision making of that issue.

The Board of Directors has appointed sub-committees to be responsible for specific matters. The sub-committees will be evaluated every year on their performance. Each sub-committee has clearly defined scope of responsibility and authority in decision making. Chairman of each sub-committee has to report and update progress to the Board.

The Board of Directors is responsible to set the framework of risk management and internal controls for effective and efficient operation. It is the responsibility of the Board to ensure credibility of the financial information and compliance with related laws and regulations and to monitor that risk management and internal controls are effective and achieve expected results.

In setting the framework of risk management, the Board of Directors has to consider probability of the particular risk versus the costs involved in managing that risk. This is to ensure an appropriate system of internal controls.

The Board of Directors has approved Company's Code of Conduct which outlines the working principles for directors and all employees. It also stipulates the corporate values, ethics and responsibilities towards all stakeholders. For the benefit of setting a standard on conducting business with honesty and fairness, the Company has publicized this Code of Conduct to employees of all levels and has set it as part of the Company's rules and regulations.

The Board of Directors has rules with regard to transaction of Company shares by directors, management and all officers and staff of the Company Secretary Office and Investors Relations Office. This is to create transparency and prevent personal gains by directors, management and staff from using privileged information not disclosed to the public. It is also to prevent criticism on insiders trading.

The Board of Directors is fully aware of the importance of all employees, treats them with respect and offers career advancement. To build morale and reinforce efficient personnel, the Company has a clear human resources management policy. Employees are informed of the health and insurance program as well as retirement and other fringe benefits.

The Board of Directors has assigned the duty of conducting business to the Executive Board and top management under appropriate internal control system. One aspect of the internal control system is to evaluate its effectiveness. This has to be a systematic and on-going process. Manager of the Internal Audit has to make a progress report to the Board of Directors every six months and the Board will annually evaluate if the internal control system is appropriate and sufficient.

Litigation

The Company is involved only with routine litigation arising from normal business practices. The Company is not party of legal cases, which the Company is a defendant in lawsuits amounting to more than 5% of shareholders' equity as of December 31, 2007, which affect business operations of the Company but the amount of the loss cannot reasonable be determined, and that not arising from normal business practices of the Company.



Report of the Audit Committee

The Audit Committee was appointed by the Board of Directors of CPF. There are 4 independent directors; namely Pol. Gen. Pow Sarasin as Chairman, and Mr. Arsa Sarasin, Professor Dr. Athasit Vejajiva, together with Mr. Thanong Termpangpun as member.

During the year 2007, the activities under duty and responsibility assigned from the Board of Directors can be summarized on follow :

1. Review quarterly and year-end financial statements, which include assessing compliance to the accounting principles used, the accounting policies adopted, as well as the information disclosed in the financial statements.
2. Review transactions and disclosure of information during the year on connected transactions, as well as those transactions which may cause conflicts of interest in 2007.
3. Review an internal audit plan and the report on internal audit results, by which the internal auditors reported during the year as well as review the sufficiency and suitability of the internal control system.
4. Meet with the external auditor to discuss their independence, issues or concerns found from their audit, including the opinions on the Company's internal control.
5. Review the Company's compliance with the law and other related regulations.
6. Consider the proposal of appointing the auditors and their remuneration. The Audit Committee has proposed to the Board of Directors to appoint Mr. Charoen Phosamritlert, Ms. Somboon Supasiripinyo, Ms. Pantip Gulsantithanmrong, Mr. Vairoj Jindamaneepitak, and of KPMG Phoomchai Audit Limited to be the Auditors of the Company for the year 2008, with remuneration of THB 3,450,000.

The meetings of the Committee have been constituted 10 times to perform their duties mentioned above. Their reports have already been submitted to the Board of Directors for considerations. For and on behalf of the Audit Committee

Pol.Gen. Pow Sarasin
Chairman of the Audit Committee
February 27, 2008

Measures to Govern Related Transactions

For the transactions that occur on the normal course of business, the Company applies the same approval procedure for both related parties and outsider. In the case of other related transactions, the Audit Committee is assigned to review whether they are conducted on arm's length basis. In this regard, the Audit Committee may seek an opinion from an independent appraiser prior to making recommendation to the Board for consideration and approval.

During the year 2007 the Company entered into transaction with related persons, as disclosed in Note 6. of the notes to financial statements as of December 31, 2007. These transactions follow normal trading practices, in accordance with general market price. In the case there is no market price, the transactions follow contracts which have been agreed upon. The audit committee is of the opinion that these related transactions are reasonable. Related transactions can be summarized as follows:

■ Accounts Receivable

As of December 31, 2007, the Company had accounts receivable arising from transactions with associated and related companies worth THB 1,440 million, or 11% of total accounts receivable.

■ Accounts Payable

As of December 31, 2007, the Company had accounts payable arising from transactions with associated and related companies worth THB 881 million, or 11% of total accounts payable.

■ Sales

During 2007, the Company sold products to associated and related companies based on price list. The value of these transactions ending December 31, 2007 was THB 5,267 million, or 4% of total sales.

■ Purchase of Raw Materials

During 2007, the Company purchased raw material from associated and related companies based on the price list. The value of these transactions ending December 31, 2007 was THB 12,962 million, or 11% of total cost of sales.

■ Other Income

In 2007, the Company received other income from dividend, sales of fixed assets, training and seminar fees as well as from leasing land and property to associated and related companies, in the amount of THB 214 million, or 0.2% of total revenues

■ Rental and Services Agreements

The Company and certain subsidiaries have lease agreements covering office premises including facilities, information technology and other services, and also have lease agreements covering vehicles with certain related companies for periods of 1 to 9 years. The rental and service fees for the year 2007 totaled Baht 831 million (2006: Baht 691 million). The rental and service charge rates are not different from the rates charged to non-related companies under the similar rental and service profiles. Under the terms of the office premises lease agreements, the Group has an option to renew the lease term of office premises by giving the lessors a prior written notice at least 4 months before the expiration of the lease agreements. In addition, the Company has lease agreements covering



the land, farms and buildings/ constructions with various subsidiaries for a period of 3 years. The Company has an option to renew the lease term automatically without giving notice in advance. The annual rental fees totaled Baht 84 million in 2007.

The Company and subsidiaries have the commitment to pay the total annual rental and facilities charges amounted to Baht 247 million and Baht 397 million respectively (2006: Baht 227 million and Baht 364 million respectively).

The Company rented assets from associated and related companies according to the rates set by the owner. The value of these transactions ending December 31, 2007 was THB 831 million, or 5% of total selling and administrative expenses.

■ Technical Service Fee

The Company and certain subsidiaries hired the parent company of the Group (Charoen Pokphand Group Co., Ltd. (CPG)), to research and develop the raw material ingredients for animal feed manufacturing. The Company and the subsidiaries agree to pay a service fee which was calculated from the feed production quantity, dependent upon the type of feed as stipulated in the agreements to CPG. The minimum fee ranges are approximately Baht 0.1 million to Baht 1.3 million per month. The term of this agreement will be expired in 2010.

In addition, a foreign subsidiary entered into an agreement to obtain the technical service assistance relating to animal feed manufacturing from CPG, with the service fee calculated from a certain percentage of the subsidiary's sales value of animal feed as stipulated in the agreement. The term of this agreement will be expired in 2016.

In 2007 the Company paid Charoen Pokphand Group Co., Ltd. for technical service concerning animal feed ingredients worth THB 297 million, or 0.3% of total cost of sales.

■ Insurance Premium

The Company paid insurance premiums to Allianz C.P. Insurance Company Limited and Ayudhaya Allianz C.P. Life Insurance Public Company Limited, which are CPF's related company, worth THB 207 million, or 1% of the Company's total selling and administration expenses. The insurance premium rates were standards set by the insurers.

■ Other Expenses

In 2007, the Company had other expenses, which were software application service fee to related companies of THB 352 million.

■ Other

The Company and certain subsidiaries have hire-of-work agreements to construct buildings, structures and others with certain related companies. During 2007, the payments in respect of these agreements have been made by the Group totaling Baht 726 million (2006: Baht 533 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 has to pay a 2% fee of the sales under the trademarks. The agreement has a period of 3 years which will expire in 2007. The fees for the year ended 31 December 2007 totaled Baht 36 million (2006: Baht 32 million).

In the fourth quarter of 2006, the Group has entered into agreements with the parent company of the Group (Charoen Pokphand Group Co., Ltd. (CPG)) for the right to use trademark. In this regard, the Group has to pay the fee to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreements. The fees for the year ended 31 December 2007 totaled Baht 35 million (2006: 8 million).

The Company has entered into an agreement with a subsidiary (C.P. Merchandising Co., Ltd.) to provide a subsidy on the promotion program of new products in new markets totaling Baht 25 million during the year 2006. During 2007, the Company has paid the subsidy under the agreement.

During the first quarter of 2006, a subsidiary (C.P. Merchandising Co., Ltd. (CPM)) entered into a Share Sale and Purchase Agreement to sell its investment in shares of Lotus-CPF (PRC) Investment Co., Ltd. (Lotus-CPF), an associate, totaling 38,960,000 shares (equivalent to 40% of issued shares of Lotus-CPF) to Union Growth Investments Limited (Union Growth) which is a related company, for a total value of USD 31 million or equivalent to Baht 1,185 million. Union Growth paid the first installment to CPM as defined in the agreement amounting to USD 3.1 million on 30 May 2006 (Closing Date). The balance of USD 27.9 million will be collected in eight installments: consists of USD 2,325,000 per month in April and October 2007 and USD 3,875,000 per semi-annual in April and October during 2008 to 2010, with the interest at LIBOR plus 2.0% per annum, calculated from the outstanding balance. Under the term of the agreement, CPM has to transfer the title of all investment in Lotus-CPF to Union Growth on the first installment date which the Group considered as a sale date. In order to guarantee its performance on the agreement, Union Growth has pledged the purchased share certificates of Lotus-CPF with CPM under the "Share Charge Agreement" entered into between CPM and Union Growth.

During the second quarter of 2006, the Group ceased to recognise the equity from the investment in Lotus-CPF since the date of sale of the investment, because the Group has no longer significant influence on Lotus-CPF and the risks and rewards of the investment have been transferred to Union Growth. In this regard, the Group recorded the gain on sale of investment amounting to Baht 399 million as "Deferred gain on sale of investment" presented under non-current liabilities in the consolidated balance sheet because the Group considered that the proceeds from sale of investment will be made in long-term installments. The deferred gain will not be recognised in the statement of income until receipt of the proceeds in full. In this regard, CPM and Union Growth must comply with the conditions as defined in the above agreements.

The Company and certain subsidiaries have commitments to pay for construction costs, machinery and other service charges to certain related companies as indicated in the agreements totaling to Baht 28 million and Baht 32 million respectively (2006: Baht 48 million and Baht 34 million respectively).

During the first quarter of 2006, a subsidiary (CPF FOOD) acquired all the operating assets of food processing plant and distribution at the purchase price of Baht 991 million from C.P. Interfood (Thailand) Company Limited (CPIF), which is a subsidiary of Charoen Pokphand Group Company Limited. In the fourth quarter of 2006, CPIF paid a compensation amounting to Baht 149 million for a provision of severance payment under the law liable to the employees transferred to CPF FOOD with regard to the sales of operations. CPF FOOD recorded the cash receipt as a provision under non-current liabilities in the balance sheet as at 31 December 2006.



Corporate Social Responsibility

Philosophy

The Company always realizes that the country and society have given it an opportunity to operate its business. Therefore, it is the Company's responsibility to support activities that are beneficial to society through joint efforts with employees, families, communities and society in order to improve the overall quality of society.

The Company gives great importance to product development in order to satisfy consumers' demands. Production with modern technology has been transferred to small farmers in order to operate according to regulations and production standards that are appropriate for consumers worldwide. Furthermore, the Company's high-caliber team has knowledge and expertise in the area the team is responsible and works closely with customers with the ultimate objective of creating sustainable growth for the industry. The social activities of the Company support activities that are dedicated and beneficial to communities and the organization without expecting anything in return. They include the following:

Personnel

The Company has established an important policy on "Employee Welfare and Safety" as follows:

1. The Company has managed the welfare and safety of employees in order to create good health that is free from sickness and injury from accidents. It is the responsibility of supervisors and executives of all levels.
2. Management of employees' welfare and safety must be proactive and emphasize preventive action instead of remedy.
3. There should be support for various activities under the Employee Welfare and Safety Program through various management processes as follows:
 - 3.1 Establish a unit to directly monitor the management of employee welfare and safety
 - 3.2 Campaign to promote employee welfare and safety among all employees with the same standards at every office
 - 3.3 Set employee welfare and safety as one of the core targets to measure the success of each business unit
 - 3.4 Establish guidelines and processes in order to create sustainable employee welfare and safety through the 3Es
 - 3.4.1 Education
 - 3.4.2 Effective equipment
 - 3.4.3 Enforcement
4. Create an appropriate and systematic welfare process to support prevention and remedy
5. Strict compliance with the law and regulations related to employee welfare and safety

Creating Jobs and Occupations

The Company has farmers that are considered as its business partners and have grown with the Company. Therefore, the Company is committed to transferring technological know-how to farmers. This will create occupations, income and a better standard of living for farmers. Some projects are the Project to Develop Integrated Farming, the Project to Support Small Broiler Farmers and the Project to Support Small Hog Farmers.

Health

The Company strives to directly and indirectly promote the health of consumers through healthy diet and knowledge and understanding of selecting foods that are good for health. Some projects are the Raising Layers for Students' Lunch Project and the Bird Flu Research Project.

Safety, Hygiene and the Environment

The Company has processes to systematically manage safety and hygiene. It also has control processes for water, air, odor and garbage in order to protect the environment. Its production processes comply with high production standards and government regulations. Furthermore, the Company strives to develop alternative energy as fuel for electricity generation. It also helps in environmental restoration in the areas where its businesses are located. Examples include

- Planting Mangrove Forests and Community Forests Project
- Improving Water Sources Project
- Participation in activities related to workplace safety, hygiene and the environment organized by the Ministry of Labor
- Energy Saving Project
- Safe Driving Project
- Project to support farmers in the area of the environment such as production of biogas from manure

Social Contribution

One of the Company's important responsibilities is supporting activities that are beneficial to the public and uphold the monarchy. In addition, the Company is capable of providing assistance and relief to natural disaster victims during emergencies. It also sells food at special prices in order to reduce the impact faced by communities during tough economic conditions. Examples are Thais Helping the Southern Provinces Project and supporting student volunteer camps to develop rural areas.

Culture and Sports

The Company supports culture and sports activities in various forms with the belief that cultural growth and development in the area of sports will help create identity, pride, unity and nationalism. Some activities include supporting the Navy football team, supporting Thai boxing competitions, and supporting national athletes.



From Past to Present

- 1978**

 - Founded under the name “Charoen Pokphand Feedmill Co., Ltd.” to produce and distribute animal feed in southern Thailand

- 1987**

 - Expanded into livestock farming with the objective of moving towards further integration
 - Listed on the Stock Exchange of Thailand (SET) under the name of “CPF”

- 1988**

 - Entered the aquaculture business (shrimp feed manufacturing and distribution, shrimp farming and shrimp processing for export)

- 1994**

 - Became a public company limited and change its name to “Charoen Pokphand Feedmill Public Company Limited”

- 1998**

 - Share acquisition in the Charoen Pokphand Group’s agro-industrial public limited companies in Thailand to be under its management

- 1999**

 - Share acquisition in 9 agro-industrial and food companies of Charoen Pokphand Group. Under the new structure, resulted from the acquisition in 1998 and this time, CPF group has business operations throughout Thailand. Its business can be classified into 2 main businesses, namely livestock and aquaculture. Both businesses are fully integrated operations, from feed raw materials procurement, feed manufacture and distribution, animal breeding, animal farming, meat processing, and manufacturing of food products from meat.
 - Renamed “Charoen Pokphand Foods Public Company Limited” to reflect the Company’s business structure and strategy to become a world-class food producer

- 2000**

 - Changed dividend payout policy to pay to shareholders 4 times a year

- 2001**

 - Split its par value of ordinary shares from THB 10 to THB 1 per share
 - Set up a new subsidiary, Aqua Beauty, Inc., to be as an importer and a distribution arm for seafood products in the US market

- 2002**

 - Set up 6 new subsidiaries, which CPF directly and indirectly has 99.99% shareholding in these companies as follows:
 - 1) C.P. Aquaculture (Beihai) Co., Ltd., to operate aquatic business in the People’s Republic of China

- 2) CP Food Product (Shanghai) Co., Ltd., to operate Thai food restaurants in the People's Republic of China
- 3) CPF Europe S.A., to import and distribute the processed meat and food products in the European Union
- 4) CPF IT Center Co., Ltd., to provide information technology services mainly to companies within the CPF Group
- 5) CPF Training Center Co., Ltd., to provide training services mainly for employees within the CPF Group

- Invested in CP Foods (UK) Limited, formerly known as Fusion Foods Limited, a joint venture investment with British businessmen, to distribute the Company's products in the United Kingdom. CPF indirectly has 52% shareholdings in this company.

2003

- Set up 4 new subsidiaries, which CPF directly and indirectly has 99.99% shareholding in these companies as follows:

- 1) Aqua - Agri Foods International, Inc., to import and distribute food products in the US market
- 2) Universal Foods and Marketing Co., Ltd., to distribute ready-to-eat food products both wholesale and retail, and to operate fast food kiosks in Thailand
- 3) International Pet Foods Co., Ltd., to be a wholesaler and retailer of pet food products in Thailand
- 4) C.P. Aquaculture (Hainan) Co., Ltd., to operate aquatic feed production and distribution and aquaculture farming in the People's Republic of China

- Increased shareholding from 18.00% to 99.99% in Chanthaburi Aquaculture Farm Co., Ltd., which operates shrimp farming business in Thailand

- Increased shareholding from 19.20% to 31.70% in C.P. Aquaculture (India) Private Limited, which is involved in shrimp feed production and distribution and the operation of shrimp hatchery in India

- Entered into a joint venture with Aviagen, Inc., to establish Ross Breeders Siam Co., Ltd., to produce and distribute parent-stock chicks (broiler line) in Thailand. CPF indirectly has 49.99% shareholding in this company.



2004

- 84.49% share acquisition, by its subsidiaries, in C.P. Standart Gida Sanayi Ve Ticaret A.S. (“CPS”), a company involved in a feed business and an integrated chicken business in the Republic of Turkey.
- Set up 2 new subsidiaries as follows:
 - 1) CPF Tokyo Company Limited, to import and distribute processed meat and ready meal products in Japan. CPF indirectly has 99.99% shareholding in this company
 - 2) Joint venture with Shrimp Improvement Systems, L.L.C. to set up Shrimp Improvement System (Thailand) Company Limited to operate shrimp breeding business in Thailand. CPF has 51.00% shareholding in this company.
- At the Extraordinary Shareholders’ Meeting No. 1/2004, the shareholders resolved to transfer the aquatic animal processing business of 3 subsidiaries, namely; Seafoods Enterprise Company Limited, Thai Prawn Culture Company Limited, and Klang Company Limited to be under CPF.

The transfer business includes aquatic feed manufacturing, aquatic farming, and processing. The transfer completed in the first quarter of 2005.

2005

- Set up 3 new companies as follows
 - 1) Calibre Nature (M) Sdn Bhd, to operate an aquatic feed production and distribution and aquaculture farming and processing in Malaysia. CPF has 100% shareholding in this company.
 - 2) CP-Yonekyu Co., Ltd., to manufacture processed meat products. CPF has 80.50% shareholding in this company.
 - 3) CPF Denmark A/S, to import meat and related products from CPF Group and other sources, and distribute them into Scandinavian and European markets. CPF indirectly has 52.00% shareholding in this company.
- Subscribed newly issued shares of Charoen Pokphand (India) Private Limited (“CP India”), resulting the increase in shareholding from 19.00% to 71.20% in CP India, thus making it the Company’s subsidiary
- Combined the integrated food business among CPF’s subsidiaries in Bangkok Metropolitan area. The transferors are Bangkok Farm Company Limited, C.P. Food Industry Export Company Limited and C.P. Food Products Company Limited. The transferee is CPF Food Products Company Limited.
- Disposed ordinary shares of Siam Makro Public Company Limited making its shareholding decreased from 8.30% to 1.01%
- Acquired all ordinary shares of Star Feedmills (m) Sdn. Bhd (“SFM”) resulting CPF indirectly has 100% shareholding in SFM, thus making it the Company’s subsidiary

2006

- At the Extraordinary Shareholders' Meeting No. 1/2005, the shareholders resolved a subsidiary to purchase business operation in connection with the manufacture and distribution of processed meat and food products from C.P. Interfood (Thailand) Company Limited

- At the Annual Shareholders' Meeting No. 1/2006, the shareholders resolved a subsidiary to sell all of its investment in Lotus-CPF (PRC) Investment Co., Ltd. The transaction was complete in May 2006

- Set up 2 new companies as follows

1) Charoen Pokphand Foods (Overseas) LLC., to operate animal feed and animal farming businesses in Russia. CPF indirectly has 99.99% shareholding in this company.

2) C.P. Laos Company Limited, to operate animal feed and animal farming businesses in Lao People's Democratic Republic. CPF indirectly has 99.61% shareholding in this company.

- Acquired all ordinary shares of Asia Aquaculture (M) Sdn.Bhd. ("AA") resulting CPF indirectly has 100% shareholding in AA, thus making it the Company's subsidiary

2007

- Established 2 new subsidiaries as follows;

1) C.P. Aquaculture (Dongfang) Co., Ltd. to run shrimp hatchery business in the People's Republic of China. CPF has direct holdings of 100%.

2) Charoen Pokphand Foods Philippines Corporation to run shrimp hatchery in Philippines. CPF has direct holdings of 100%.

- Acquired addition stakes in C.P. Standart Gida Sanayi ve Ticaret A.S. ("CPS") by subsidiaries, resulted in the increase of holding from 92.64% to 100% in CPS.

- Acquired the wholly own stake of 11 companies by subsidiary, resulted in the indirect holdings of the following companies as follows;

- | | |
|------------------------|--------------------------|
| (1) Brothwood Ltd. | (7) Uzumlu Ltd. |
| (2) Dalaman Ltd. | (8) Discoll Foods Ltd. |
| (3) Everton Ltd. | (9) Gatley Foods Ltd. |
| (4) Fethiye Ltd. | (10) Niamh Foods Ltd. |
| (5) Kaitaia Foods Ltd. | (11) Whistler Foods Ltd. |
| (6) Samui Foods Ltd. | |



Important Dates in the Fiscal Year 2006

Date Detail

April 25	Annual General Shareholders' Meeting for the year 2007
May 24	Annual dividend payment of THB 0.02 for the 4th quarter results of 2006

Investor Information

Dividend Policy

CPF pay dividends to shareholders twice a year. The first dividend payment shall be paid as an interim dividend, which will be distributed from the operating results of the first half period of the year and the second dividend payment shall be paid as an annual dividend, which will be distributed from the operating results of the second half period of the year. Total dividend paid each year shall approximately be 50% of net income after income tax and legal reserve. The annual and interim dividend payments might be subject to change, depending on the Company's operations, financial position, future projects and overall economic conditions.

CPF, in addition, has duty to comply with the terms and conditions of CPF's debentures No. 1/2004 series 1 due in 2007, as well as series 2 due in 2009, CPF's debentures No. 1/2005 series 1 due in 2008, as well as series 2 due in 2010 and CPF's debentures No. 1/2006 series 1 due in 2009, as well as series 2 due in 2011, which prohibit CPF to pay cash dividends to shareholders in the amount exceeding 60% of net profit in each fiscal year for the duration of the term of those debentures.

In addition, if CPF is unable to service interest or any amount becomes due to the debenture holders, it will not be permitted to pay cash dividends to shareholders.

For the subsidiaries that are public limited company, each company has policy to pay dividend about 50% of its net profit after taxes and legal reserve. For other subsidiaries, the dividend payment will depend upon its future investment plan, its financial structure, and its liquidity.

■ Capital in Brief Ordinary Shares (as of December 31, 2007)

Registered capital: THB 8,206,664,000 comprising of 8,206,664,000 ordinary shares with a par value of THB 1

Issued & paid-up capital: THB 7,519,937,826 comprising of 7,519,937,826 ordinary shares with a par value of THB 1



■ Change in Paid-up Capital

	Capital Increase (THB Million)	Paid-Up Capital		Details
		(THB Million)	(No. of Shares)	
January 1978	-	5	500,000	Initial registered capital
March 1987	25	30	3,000,000	Offering to existing shareholders
May 1987	70	100	10,000,000	Offering to existing shareholders
June 1987	100	200	20,000,000	Offering to existing shareholders
August 1987	100	300	30,000,000	Offering to existing shareholders
July 1988	300	600	60,000,000	Offering to existing shareholders
June 1989	600	1,200	120,000,000	Offering to existing shareholders
November 1998	385	1,585	158,529,451	Offering to existing shareholders of Bangkok Agro-Industrial Products Plc. (BAP) Bangkok Produce Merchandising Plc. (BKP) Charoen Pokphand Northeastern Plc. (CPNE) in exchange for shares of the three companies following the acquisition plan
May 1999	159	1,744	174,380,941	Stock dividend for 1998's results
December 1999	174	1,918	191,818,767	Interim stock dividend for 1999 results
July 2000	1,902	3,820	382,028,584	Offering to existing shareholders
July 2001	0.09855	3,820	382,038,439	Exercise of warrant, CPF-W1, 3 times from Oct 2000 to July 2001
September 2001	-	3,820	3,820,384,390	Par value change from THB 10 to THB 1
January 2002	0.15	3,820	3,820,536,390	Exercise of warrant, CPF-W1
April 2002	73	3,893	3,893,613,330	Exercise of warrant, CPF-W1
July 2002	481	4,374	4,374,439,231	Last exercise of warrant, CPF-W1
October 2002	475	4,849	4,849,590,421	Exercise of warrant, CPF-W

	Capital Increase	Paid-Up Capital		Details
	(THB Million)	(THB Million)	(No. of Shares)	
January 2003	859	5,708	5,708,162,731	Last exercise of warrant, CPF-W, and first exercise of warrant, CPF-W2
April 2003	0.009	5,708	5,708,171,806	Exercise of warrant, CPF-W2
July 2003	6	5,714	5,714,071,566	Exercise of warrant, CPF-W2
Oct 2003	4	5,718	5,718,532,611	Exercise of warrant, CPF-W2
Jan 2004	9	5,727	5,727,456,606	Exercise of warrant, CPF-W2
July 2004	0.002	5,727	5,727,549,116	Exercise of warrant, CPF-W2
October 2004	0.013	5,727	5,727,562,476	Exercise of warrant, CPF-W2
January 2005	0.058	5,728	5,727,852,576	Exercise of warrant, CPF-W2
April 2005	3	5,731	5,730,976,886	Exercise of warrant, CPF-W2
July 2005	512	6,243	6,243,420,081	Exercise of warrant, CPF-W2
August 2005	1,277	7,520	7,519,937,826	Last exercise of warrant, CPF-W2

Depository Receipts of Ordinary Shares

US Exchange	: Over the Counter (OTC), United States Exchange
DR Underlying Share Ratio	: 1DR : 4 ordinary shares
DR Outstanding (December 31, 2007)	: 7,455,524 units
Registrar	: The Bank of New York Mellon



Non-Voting Depository Receipts (NVDRs)

As of December 31, 2007, CPF ordinary shares held by Thai NVDR Co., Ltd. (Thai NVDR) was 404,534,549 shares, equivalent to 5.38 percent of total issued and paid-up capital. Investors holding NVDRs of CPF issued by Thai NVDR will receive all financial benefits similar to investing in CPF ordinary shares, except for voting rights in shareholders' meeting. Therefore, voting rights of other shareholders will increase comparing to total number of voting shares, excluding shares held by Thai NVDR. Investors can find number of CPF shares held by Thai NVDR at www.set.or.th/nvdr

■ Shareholders

(as of the latest closing date of shareholder register book at 5 April 2007)

Type	Holding
1. Thai individuals	17%
2. Foreign individuals	0.36%
3. Thai juristic persons	52%
4. Foreign juristic persons	31%
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 percent 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 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 percent of the total numbers of ordinary shares then issued by CPF. This 49 percent 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 of 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 5 April 2007, there was 31.18% holding in CPF; outstanding shares by foreign investors.

■ Top ten major shareholders

	Names	No. of shares	% Holding
1.	Charoen Pokphand Group Co., Ltd. and related persons ⁽¹⁾	2,982,201,995	39.66%
2.	Thai NVDR Co., Ltd. ⁽²⁾	311,292,760	4.14%
3.	MELLON BANK,N.A ⁽³⁾	278,873,300	3.71%
4.	THE BANK OF NEW YORK (NOMINEES) LIMITED ⁽³⁾	171,776,300	2.28%
5.	HSBC (SINGAPORE) NOMINEES PTE LTD ⁽³⁾	170,488,412	2.27%
6.	STATE STREET BANK AND TRUST COMPANY ⁽⁴⁾	169,417,375	2.25%
7.	ALBOUYS NOMINEES LIMITED ⁽³⁾	167,963,900	2.23%
8.	NORTRUST NOMINEES LTD. ⁽⁵⁾	162,318,200	2.16%
9.	STATE STREET BANK AND TRUST COMPANY FOR AUSTRALIA, ⁽⁴⁾	157,206,100	2.09%
10.	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION C ⁽⁶⁾	101,998,200	1.36%

⁽¹⁾ includes Charoen Pokphand Group Company Limited (“CPG”), Bangkok Agro-Industrial Public Company Limited, Bangkok Produce Merchandising Public Company Limited, Bangkok Food Products Company Limited, Charoen Pokphand Industrial Company Limited, CPF Food Products Company Limited, and Chesters Food Company Limited. The Chearavanont family is the major shareholder of CPG with total holding of 91.37%.

⁽²⁾ Registered in Thailand. Contact address is 62, the Stock Exchange of Thailand Building, Ratchadapisek road, Klong Toey, Bangkok 10110

⁽³⁾ Registered overseas. Contact address is 968, HSBC building, 5th Floor, Rama 4 road, Bangrak, Bangkok 10500

⁽⁴⁾ Registered overseas. Contact address is Securities Services Department, Standard Chartered Bank Pcl., 14th Floor, Zone B, 90, North Sathorn road, Silom, Bangkok 10500

⁽⁵⁾ Registered overseas. Contact address is Securities Services Department, Bangkok Bank Public Company Limited, 1st Floor, Trithip building, Silom, Bangrak, Bangkok 10500

Note: Charoen Pokphand Group Company Limited does not have any shareholdings in no.2-10.



Information of Companies in which the Company has Shareholding Subsidiaries

As of December 31, 2007 there are 58 subsidiaries in which CPF or indirectly holds more than 50% of their paid-up capital.

■ Livestock Business in Thailand

Bangkok Produce Merchandising Public Company Limited

Type of Business	Animal feed raw material distribution and broiler integration
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
Shareholding	99.44%

Bangkok Agro-Industrial Products Public Company Limited

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2675-9879
Facsimile Number	0-2675-9811
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.90%

Bangkok Food Products Company Limited

(Formerly known as Bangkok Feedmill Company Limited)

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2675-9859
Facsimile Number	0-2675-9813
Registered Capital	THB 666,600,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

Charoen Pokphand Northeastern Public Company Limited

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2675-9897
Facsimile Number	0-2675-9811
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.61%

Charoen Pokphand Industry Company Limited

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2675-9879
Facsimile Number	0-2675-9811
Registered Capital	THB 166,650,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

CPF Food Products Company Limited

Type of Business	Broiler Integration
Head Office	Bangkok, Thailand
Telephone Number	0-2641-1234
Facsimile Number	0-2641-1979
Registered Capital	THB 2,800,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

CPF Trading Company Limited

(formerly known as Vee Food Products Company Limited)

Type of Business	Wholesale and Retail trading on food products
Head Office	Bangkok, Thailand
Telephone Number	0-2663-4293
Facsimile Number	0-2663-4115
Registered Capital	THB 330,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

CPF Logistics Company Limited

(formerly known as C.P. Food Solutions Company Limited)

Type of Business	Logistic Services
Head Office	Bangkok, Thailand
Telephone Number	0-2989-4506
Facsimile Number	0-2989-4074
Registered Capital	THB 40,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

C.P. Agro-Industry Company Limited

Type of Business	Livestock farming
Head Office	Suratthani, Thailand
Telephone Number	0-7728-2229
Facsimile Number	0-7728-2230
Registered Capital	THB 33,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

C.P. Food Products Company Limited*

Type of Business	Restaurant
Head Office	Bangkok, Thailand
Telephone Number	0-2919-5971
Facsimile Number	0-2919-5979
Registered Capital	THB 228,200,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

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 1,850,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

CP-Yonekyu Company Limited

Type of Business	Meat processing plant
Head Office	Chachoengsao, Thailand
Telephone Number	0-3859-3046
Facsimile Number	0-3859-3587
Registered Capital	THB 350,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	75.00%

B.P. Feedmill Company Limited

Type of Business	Livestock feedmill and farming
Head Office	Saraburi, Thailand
Telephone Number	0-3637-1885
Facsimile Number	0-3637-6578
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

Bangkok Farm Company Limited*

Type of Business	Livestock farming and processing plant
Head Office	Bangkok, Thailand
Telephone Number	0-2641-1234
Facsimile Number	0-2641-1979
Registered Capital	THB 42,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%



■ Aquaculture Business in Thailand

Universal Foods and Marketing Company Limited

Type of Business	Wholesale and retail trading on food products,
Head Office	Bangkok, Thailand
Telephone Number	0-2673-1095
Facsimile Number	0-2673-1546
Registered Capital	THB 80,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Rajburi Feedmill Company Limited

Type of Business	Animal feedmill and livestock farming
Head Office	Rajburi, Thailand
Telephone Number	0-3236-8181-9
Facsimile Number	0-3236-8062
Registered Capital	THB 470,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

International Pet Foods Company Limited

Type of Business	Pet food production and distribution
Head Office	Bangkok, Thailand
Telephone Number	0-2673-1095
Facsimile Number	0-2673-1546
Registered Capital	THB 60,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Thai Prawn Culture Center Company Limited**

Type of Business	Shrimp farming and shrimp processing plant
Head Office	Songkhla, Thailand
Telephone Number	0-7439-1191
Facsimile Number	0-7439-2957
Registered Capital	THB 180,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.89%

Klang Company Limited**

Type of Business	Shrimp processing plant
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2631-0776
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Chanthaburi Aquaculture Farm Company Limited**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 40,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Note : * All businesses were transferred to CPF Food Products Company Limited in 2005.

Seafoods Enterprise Company Limited**

Type of Business	Shrimp processing plant
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2631-0776
Registered Capital	THB 425,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Trad Prawn Culture Company Limited**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 36,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.91%

Shrimp Improvement System (Thailand) Company Limited

Type of Business	Shrimp hatchery business
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 8,000,000 (comprise of 792,000 ordinary shares and 8,000 preferred shares)
Par Value	THB 10.00 per share
Shareholding	51.00%

Pokphand Aquatech Company Limited

Type of Business	Aquatic feed production and distribution and aquaculture farm
Head Office	Chonburi, Thailand
Telephone Number	0-3829-7493
Facsimile Number	0-3829-7495
Registered Capital	THB 400,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Savee Farming Company Limited**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 70,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.84%

Note ** All businesses were transferred to Charoen Pokphand Foods Public Company Limited in 2005.



Businesses Related to Operations in Thailand

Aqua Beauty, Inc.

Type of Business	Importer and distributor of seafood products
Head Office	USA
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
Shareholding	100.00%

Brothwood Ltd.

Type of Business	Importer and distributor of processed meat and ready meal
Head Office	The United Kingdom
Registered Capital	Pound Sterling 1
Shareholding	52.00%

CPF Denmark A/S

Type of Business	Importer and distributor of processed meat and food products
Head Office	Denmark
Telephone Number	45-7526-1330
Facsimile Number	45-7526-1336
Registered Capital	EUR 200,000 (all in ordinary shares)
Par Value	EUR 1.00 per share
Shareholding	52.00%

CPF Europe S.A.

Type of Business	Importer and distributor of processed meat and food products
Head Office	Belgium
Telephone Number	32-2357-5387
Registered Capital	EUR 6,000,000 (all in ordinary shares)
Par Value	EUR 1.00 per share
Shareholding	99.99%

CPF Tokyo Co., Ltd.

Type of Business	Importer and distributor of processed meat and food products
Head Office	Japan
Telephone Number	813-5401-2231
Facsimile Number	813-5401-2236
Registered Capital	JPY 100,000,000 (all in ordinary shares)
Par Value	JPY 1,000.00 per share
Shareholding	99.99%

CP Foods (UK) Limited

Type of Business	Importer and distributor of processed meat and food products
Head Office	England
Telephone Number	44-1299-253131
Registered Capital	GBP 300,000 (all in ordinary shares)
Par Value	GBP 1.00 per share
Shareholding	52.00%

CP Foods West, Inc.

Type of Business Importer and distributor of food products
 Head Office USA
 Telephone Number 1-562-256-7146
 Facsimile Number 1-562-256-7140
 Registered Capital USD 3,000,000 (all in ordinary shares)
 Par Value USD 1.00 per share
 Shareholding 100.00%

Dalaman Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Discoll Foods Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Everton Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Fethiye Ltd

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Gatley Foods Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Kaitaia Foods Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Niamh Foods Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Samui Foods Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%

Uzumlu Ltd.

Type of Business Importer and distributor of processed meat and ready meal
 Head office The United Kingdom
 Registered Capital Pound Sterling 1
 Shareholding 52.00%



Whisler Foods Ltd.

Type of Business	Importer and distributor of processed meat and ready meal
Head office	The United Kingdom
Registered Capital	Pound Sterling 1
Shareholding	52.00%

Other Businesses in Thailand

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
Shareholding	99.99%

CPF IT Center Company Limited

Type of Business	Information technology services 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
Shareholding	99.99%

Overseas Business

Asia Aquaculture (M) sdn. Bhd.

Type of Business	Shrimp farming and processing plant
Head Office	Malaysia
Telephone Number	03-4021-3761-2
Facsimile Number	03-4021-3832
Registered Capital	RM 22,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

C.P. Aquaculture (Beihai) Co., Ltd.

Type of Business	Aquatic feed production and distribution and aquaculture farming
Head Office	Kwangsi, People's Republic of China
Telephone Number	86-779-208-4362
Facsimile Number	86-779-208-3932
Registered Capital	USD 5,500,000 (all in ordinary shares)
Shareholding	100.00% C.P. Aquaculture (Beihai) Co., Ltd.

C.P. Aquaculture (Dongfang) Co., Ltd.

Type of Business	Shrimp Hatchery
Head Office	Hainan, People's Republic of China
Telephone Number	86-898-6748-8578
Facsimile Number	86-898-6748-8682
Registered Capital	RMB 32,000,000 (all in ordinary shares)
Shareholding	100.00%

C.P. Aquaculture (Hainan) Co., Ltd.

Type of Business	Aquatic feed production and distribution and aquaculture farming
Head Office	Hainan, People's Republic of China
Telephone Number	86-898-6748-8578
Facsimile Number	86-898-6748-8682
Registered Capital	USD 3,000,000 (all in ordinary shares)
Shareholding	100.00%

C.P. Laos Co., Ltd

Type of Business	Animal feedmill and livestock farming
Head Office	Vientiane, Lao People's Democratic Republic
Telephone Number	856-021-453508-10
Facsimile Number	856-021-453507
Registered Capital	USD 3,000,000,000 (all in ordinary shares)
Par Value	USD 2.00 per share
Shareholding	99.61%

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

Type of Business	Chicken Integration
Head Office	Turkey
Telephone Number	212-274-8536
Facsimile Number	212-274-7995
Registered Capital	YTL 57,500,000 (all in ordinary shares)
Par Value	YTL 1.00 per share
Shareholding	100.00%

Calibre Nature (M) Sdn.Bhd.

Type of Business	Investment company in aquaculture integration business
Head Office	Malaysia
Telephone Number	03-4021-3761-2
Facsimile Number	03-4021-3832
Registered Capital	RM 120 million (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

Star Feedmill (M) Sdn. Bhd.

Type of Business	Aquatic feed production and distribution
Head Office	Malaysia
Telephone Number	03-4021-3761-2
Facsimile Number	03-4021-3832
Registered Capital	RM 100,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

Charoen Pokphand (India) Private Limited

Type of Business	Feed production and farming
Head Office	India
Telephone Number	9144 4470790
Facsimile Number	9144 4917480
Registered Capital	RS 630 million (all in ordinary shares)
Par Value	RS 10.00 per share
Shareholding	71.20%

Charoen Pokphand (USA), Inc.

Type of Business	Broiler integration (Operation wound up in March 2004)
Head Office	USA
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
Shareholding	99.97%



Charoen Pokphand Foods (Overseas) LLC.

Type of Business	Animal feedmill and livestock farming
Head Office	Russia
Telephone Number	7-496-631-2233
Facsimile Number	7-496-631-1924
Registered Capital	Ruble 220,000,000 (all in ordinary shares)
Shareholding	99.99%

Charoen Pokphand Foods Philippines Corporation

Type of Business	Shrimp Hatchery
Head Office	Philippines
Telephone Number	63-32-273-0682
Registered Capital	Peso 50,000,000 (all in ordinary shares)
Shareholding	100.00%

CPF Investment Limited

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

CP Food Product (Shanghai) Co., Ltd.

Type of Business	Thai food restaurant
Head Office	Shanghai, People's Republic of China
Telephone Number	86-21-5135-8888
Facsimile Number	86-21-5135-8888
Registered Capital	USD 3,000,000 (all in ordinary shares)
Shareholding	100.00%

Associates

As of December 31, 2007, there are 8 companies in which CPF directly or indirectly holds more than 20.00% to 50.00% of their paid-up capital.

CP ALL Public Company Limited

(Formerly known as C.P. Seven Eleven 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 4,500,000,000 (all in ordinary shares)
Par Value	THB 1.00 per share
Shareholding	24.78%

Nava 84 Company Limited

Type of Business	Investment holding, of which invested 99.93% 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
Shareholding	25.00%

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
Shareholding	49.99%

Allianz C.P. General Insurance Company Limited

Type of Business	Insurance business
Head Office	Bangkok, Thailand
Telephone Number	0-2638-9000
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	24.46%

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
Shareholding	49.99%

C.P. Aquaculture (India) Private Limited

Type of Business	Livestock feed production and farming 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
Shareholding	31.70%

C.P. Vietnam Livestock Company Limited

Type of Business	Livestock feed production and farming in Vietnam
Head Office	Vietnam
Telephone Number	84-6183-6251
Registered Capital	USD 55,685,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Shareholding	40.00%

Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.

Type of Business	Investment holding, of which invested 100.00% in 8 livestock feed production 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
Shareholding	49.64%

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

As of December 31, 2007, there is 1 company in which CPF directly or indirectly holds more than 10.00% but less than 20.00% of their paid-up capital.*

Kinghill Limited

Type of Business	Investment holding, of which invested 100.00% in company that manages shopping center, "Super Brand Mall", in the People's Republic of China
Head Office	Cayman Island
Registered Capital	USD 250,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Shareholding	19.96%

*Not include the Company that already fully recorded the asset impairment.



References

■ Share Registrar

- **Thailand Securities Depository Co., Ltd.**
Capital Market Academy Building 2/7 Moo 4, (North Park Project)
Vibhavadi-Rangsit Road Tung Song Hong, Laksi,
Bangkok 10210, Thailand.
Telephone number: (662) 596-9000
Facsimile number: (662) 832-4994-6

■ Bond registrar and Bondholders' Representative

(1) Unsecured Debentures of Charoen Pokphand Foods Plc. #1/2004 Series 2 due 2009, and Unsecured Debentures of Charoen Pokphand Foods Plc. #1/2005 Series 1 due 2008, and Series 2 due 2010

- Bond Registrar and Bondholders' Representative
Securities Services Department,
Kasikornbank Plc.
1 Soi Kasikornthai, Ratburana Road, Ratburana,
Bangkok 10140, Thailand.
Telephone number: (662) 470-1982
Facsimile number: (662) 470-1998

(2) Unsecured Debentures of Charoen Pokphand Foods Plc.# 1/2006 Series 1 due 2009 and Series 2 due 2011

- Bond Registrar
Securities Service Department,
Bangkok Bank Plc.
333 Silom Road, Bangrak,
Bangkok 15000, Thailand.
Telephone number: (662) 230-1477-8
Facsimile number: (662) 626-4545-6
- Bondholders' Representative
International Business and Investor Services Department,
Bank Thai Plc.
44 Lang Suan Road, Lumpini, Patumwan,
Bangkok 10330, Thailand.
Telephone number: (662) 626-7507, (662) 626-7591-2, (662) 626- 7501
Facsimile number: (662) 626-7542-3

(3) Unsecured Debentures of Charoen Pokphand Foods Plc.# 1/2007 Series 1 due 2010 and Series 2 due 2012

- 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
- Bondholders' Representative Investor Services Department,
TMB Bank Plc.
393 TMB Bank Building, Silom Soi 7,
10th Floor, Silom Road, Silom, Bangrak,
Bangkok 10500, Thailand
Telephone number: (662) 230-6295
Facsimile number: (662) 230-6093

■ **American Depositary Receipts Registrar**

- The Bank of New York, Depositary Receipts Division
101 Barclay Street, 22nd Floor, New York 10286, USA.
Contact List: New York – Judy Kang Telephone number: 1-212-815-4295
Hong Kong – Eugenia Lee Telephone number: (852) 2840-9821

■ **Auditors**

Ms. Kalyarat Chaivorapongsa C.P.A. (Thailand)	Registration No. 3460
Ms. Somboon Supasiripinyo C.P.A. (Thailand)	Registration No. 3731
Ms. Nittaya Chetchotiros C.P.A. (Thailand)	Registration No. 4439
Mr. Charoen Phosamritlert C.P.A.(Thailand)	Registration No. 4068

KPMG Phoomchai Audit Ltd.

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Recruitment and
Selection Center

C.P. Tower 2, 18th floor, 1
Ratchadapisek Road, Dindaeng,
Bangkok 10400 Thailand
Telephone Number (662) 641-0400
Facsimile Number (662) 641-0100
E-mail address job@cpf.co.th

The Auditors' Remunerations

CPF's auditors in the year 2007⁽¹⁾ were Ms. Kalyarat Chaivorapongsa C.P.A. (Thailand) Registration No. 3460, Ms. Somboon Supasiripinyo C.P.A. (Thailand) Registration No. 3731, Ms. Nittaya Chetchotiros C.P.A. (Thailand) Registration No. 4439, and Mr.Charoen Phosamritlert C.P.A. (Thailand) Registration No.4068 of KPMG Phoomchai Audit Ltd.

In 2007⁽²⁾, the remunerations that CPF and its subsidiaries paid to KRMG Phoomchai Audit Limited as follows:

	CPF	Subsidiaries
The audit fees on company's accounts	THB 3,360,000	THB 10,995,000
Other audit fees on special projects	THB 970,000	THB 1,420,000

Note: ⁽¹⁾ Ms. Kalyarat Chaivorapongsa was an auditor who reviewed financial statement for the first quarter and the second quarter of the year 2007, whereas Mr. Charoen Phosamritlert was an auditor who reviewed financial statements for the third quarter of the year 2007 and audited financial statements for the year 2007.

⁽²⁾ The above fee excluded out-of-pocket expenses to be reimbursed by the Company.



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