



Annual Report 2009

Charoen Pokphand Foods Public Company Limited



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Contents



The Company at a Glance	5
Quick Facts	
Financial Highlights in the Past 3 Years	
Message to Shareholders	10
Operations in Brief	13
Thailand Operations	
Industry Overview	
Overseas Operations	
Tax Privileges	
Risk Factors	33
Report of the Board of Directors' Responsibility on the Financial Statements	39
Management's Discussion and Analysis	40
Management	49
Investment and Management Policy	
Management Structure	
Board of Directors	
Audit Committee	
The Remuneration and Nominating Committee	
Executive Committee	
Executives	
Remuneration for Directors and Executives	
Brief Profile of Directors and Executives	
Personnel	

Corporate Governance	82
Right of Shareholders	
Equitable Treatment of Shareholders	
Roles of Stakeholders	
Information Disclosure and Transparency	
Responsibilities of the Board of Directors	
Internal Control	
Litigation	
Report of the Audit Committee	
Measures to Govern Related Transactions	
Corporate Social Responsibility	100
Human Resources	
Job Creations and Occupations	
Health and Nutrition	
Energy and Environment Conservation	
Public Welfare	
Community Relations	
Culture and Sports	
Safety, Health and Environment	
From Past to Present	116
Investor Information	119
Dividend Policy	
Capital in Brief	
Shareholders	
Information of Companies in which the Company has Shareholding	126
References	135
The Auditors' Remunerations	137
Contact Us	138
Financial Statements	
Audit Report of Certified Public Accountant	
Financial Statements	
Notes to the Financial Statements	



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The Company at a Glance



Charoen Pokphand Foods Plc. was ranked as the Most Admired Companies for Quality, 2nd for Long-Term Vision and 5th for Innovation along with 3rd for Over All from the 2009 poll taken by The Wall Street Journal Asia.

Charoen Pokphand Foods Public Company Limited and its subsidiaries or “CPF Group,” is Thailand’s leading agro-industrial food conglomerate. Though operating in various parts of the world, majority of the Company’s business operations are primarily Thailand based. As of December 31, 2009, the Company’s market capitalization was THB 80,358 million.

To fulfill its vision to be “Kitchen of the World,” the Company aims to expand its ready-to-eat branded products both domestically and internationally as well as to maintain its leadership stance in animal feed and meat processing business in Thailand. The Company is determined to share its expertise in vertically integrated agro-business by investing overseas and improving animal husbandry standard that is environmentally friendly and financially viable. The Company is committed to research and development, human resources development, corporate social responsibility, and corporate good governance as these are fundamental principles to healthy and sustainable business growth.

The Company has two main business operations: (1) Thailand Operations with domestic and export sales and (2) Overseas Operations with investments in 9 countries namely, Turkey, Malaysia, India, People's Republic of China, Russia, Lao People's Democratic Republic, Taiwan, United Kingdom and the Philippines. There are two core businesses: (1) Agro-business covering livestock products such as chicken broiler, chicken layer, swine and duck and (2) Aquatic Business covering shrimp and fish. Products are categorized into three main groups: (1) Feed (2) Farm including animal breeding, animal farming and meat processing and (3) Food including semi-cooked meat, fully-cooked meat, and ready-to-eat products under "CP" .

CPF Group's consolidated sales in the year 2009 was THB 165,063 million of which 37% was from Feed, 43% from Farm and 20% from Food. Net profit in 2009 was THB 10,190 million, equivalent to THB 1.52 per share. Dividend declaration from 2009 operations was THB 0.73 per share, of which THB 0.23 was paid as an interim dividend and THB 0.50 will be paid as an annual dividend.

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



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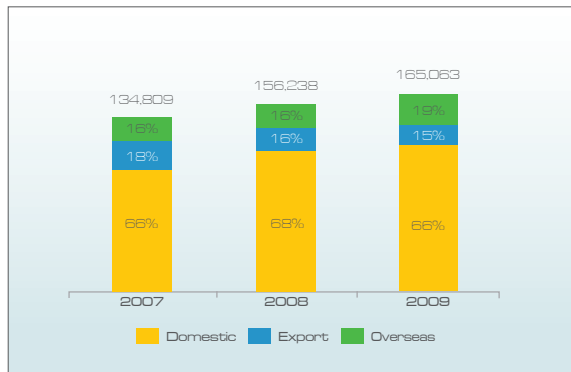
Quick Facts

(As of December 31, 2009)

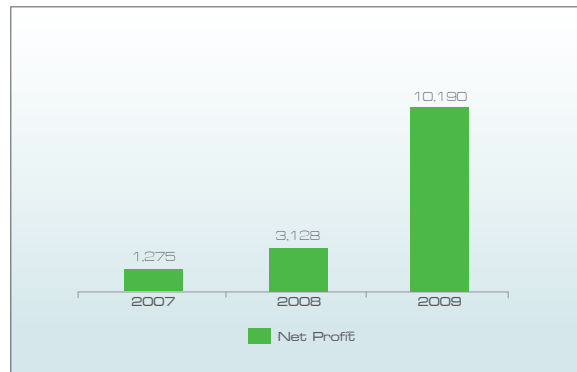
Head Office	C.P. Tower 313 Silom Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	(662) 625-8000
Facsimile Number	(662) 638-2139
Web Address	http://www.cpfworldwide.com
Business Category	Agro-industrial and Food
Legal Status	Public limited company registered in Thailand
Registration Number	0107537000246
Registered Capital	THB 8,206.66 million
Number of Paid-up Share	7,519.94 million shares (all inordinary shares)
Number of Repurchased Shares	471.00 million shares
Number of Outstanding Shares, (Net of Repurchased Shares)	7,048.94 million shares
Par Value	THB 1.00 per share
Subsidiaries	98 companies (Brief information is shown on page 126)
Trading Symbol on the SET	CPF for ordinary shares
Trading Symbol on the Thai Bond Market Association (TBMA) and/or the SET	CPF106A for debentures No. 1/2005 Series 2 CPF117A for debentures No. 1/2006 Series 2 CPF100A for debentures No. 1/2007 Series 1 CPF120A for debentures No. 1/2007 Series 2 CPF118A for debentures No. 1/2008 Series 1 CPF138A for debentures No. 1/2008 Series 2 CPF13NA for debentures No. 1/2009 Series 1 CPF14NA for debentures No. 1/2009 Series 2 CPF15NA for debentures No. 1/2009 Series 3 CPF155A for debentures No. 2/2009 (Brief information of debentures is shown at “www.cpfworldwide.com” under section of Investor Relations, and outstanding debentures as of December 31, 2009 is shown on page 46)

Financial Highlights in the Past 3 Years

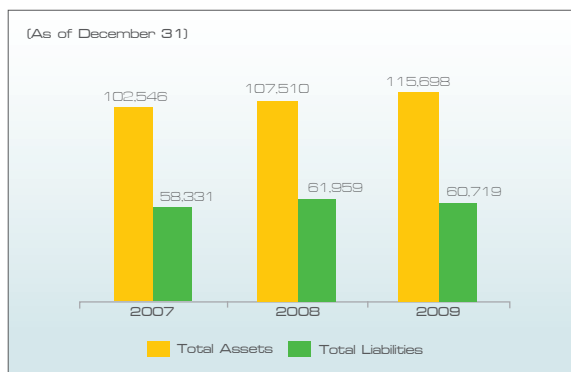
Sales Revenue (THB Million)



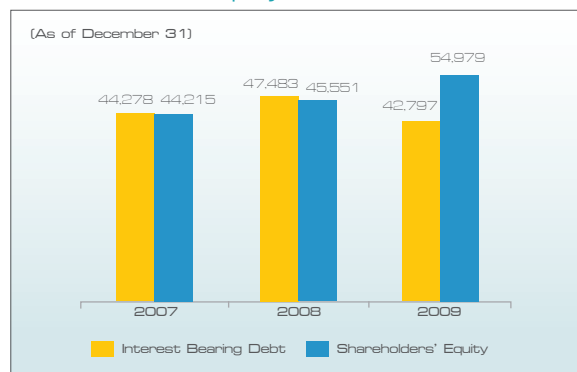
Net Profit (THB Million)



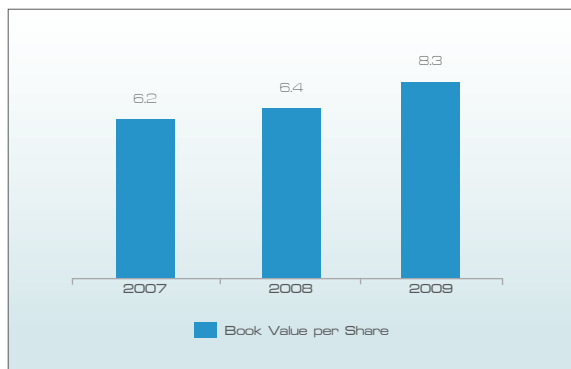
Total Assets and Total Liabilities (THB Million)



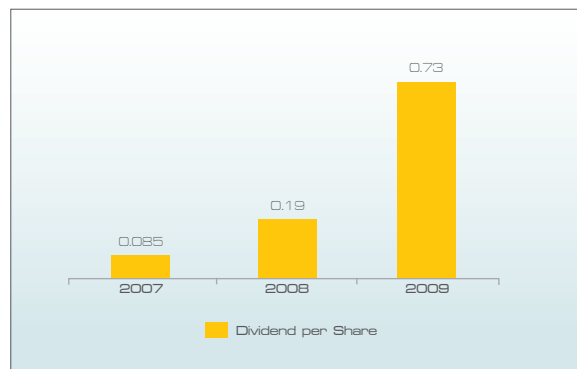
Interest Bearing Debt and Shareholder's Equity (THB Million)



Book Value per Share (THB)



Dividend per Share (THB)



Message to Shareholders



Mr. Dhanin Chearavanont
Chairman of the Board of Directors

Charoen Pokphand Foods Public Company Limited (“CPF”) and its subsidiaries are the leading agro-industrial and food conglomerate in Thailand. The Group is committed to be “Kitchen of the World” by meeting the needs of global consumers and supplying them with nutritious protein sources and food products. We are dedicated to continuous research and development and to deliver the safest and highest quality food products. Last but not least, we strive for the solid and sustainable growth of our business.

Operating results

The CPF Group reported consolidated sales of THB 165,063 million in fiscal year 2009, a 6% increase over 2008. Domestic sales accounted to 66% of total sales, whereas export represented 15% and the remaining 19% from our sales in overseas operations.

Emphasis on improving production efficiency and processes to lower costs helped to maintain our competitiveness during the uncertain economic climate of 2009. Our expansion of food business and investments in overseas operations which met our growth expectation also contributed to the healthy business performance. Moreover, the Group’s prudent approach in financial management to minimize expenses and lower interests led to a 226% rise in consolidated net profit of THB 10,190 million in 2009.



Mr. Adirek Sripratak
President
and Chief Executive Officer

Dividend payments

For the fiscal year 2009, CPF declared dividend payment twice totaling THB 0.73 per share. Interim dividend from the first six-months results of 2009 was THB 0.23 per share. At the Board of Directors meeting on February 19, 2010, the Board of Directors proposed the annual dividend payment considering from the second half results of 2009 at THB 0.50 per share. The Board of Directors will propose the annual dividend payment for approval at the Annual General Shareholders’ Meeting No. 1/2010 to be held on April 21, 2010.

Business plan for the year 2010

In 2010, global economic uncertainty remains with expected volatility on foreign currency exchange and financial expenses. The CPF Group will continue to ensure that each business line strive for higher operation and production efficiency, with close attention to financial risk management.

We will continue to focus on expansion of ready-to-eat food products under the CP brand and with increase distribution channels. On international front, we aim to expand our animal feed and meat business to more countries with high per capita consumption growth. We will manage and control our production process and cost. Advertising and promotion campaigns will be launched to create brand awareness and loyalty. With the aforementioned strategies, we are confident our operation results in the year 2010 will be at a satisfactory level.

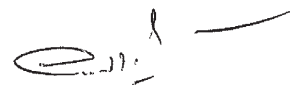
The CPF Group gives great importance to abide by good corporate governance and including corporate social responsibility, development of personnel and human resources, and risk management. These major and crucial factors will drive CPF Group toward sustainable growth and strong returns to its shareholders.

On behalf of the CPF Group, we would like to express our sincere appreciation to our shareholders and bondholders as well as our trading partners and financial institutions for the continual trust and support. We particularly owe our thanks to our valuable customers for their loyalty and patronage of our products. We look forward to receiving such kind consideration as always.



Mr. Dhanin Chearavanont

Chairman of the Board of Directors
On behalf of the Board of Directors



Mr. Adirek Sripratak

President
and Chief Executive Officer



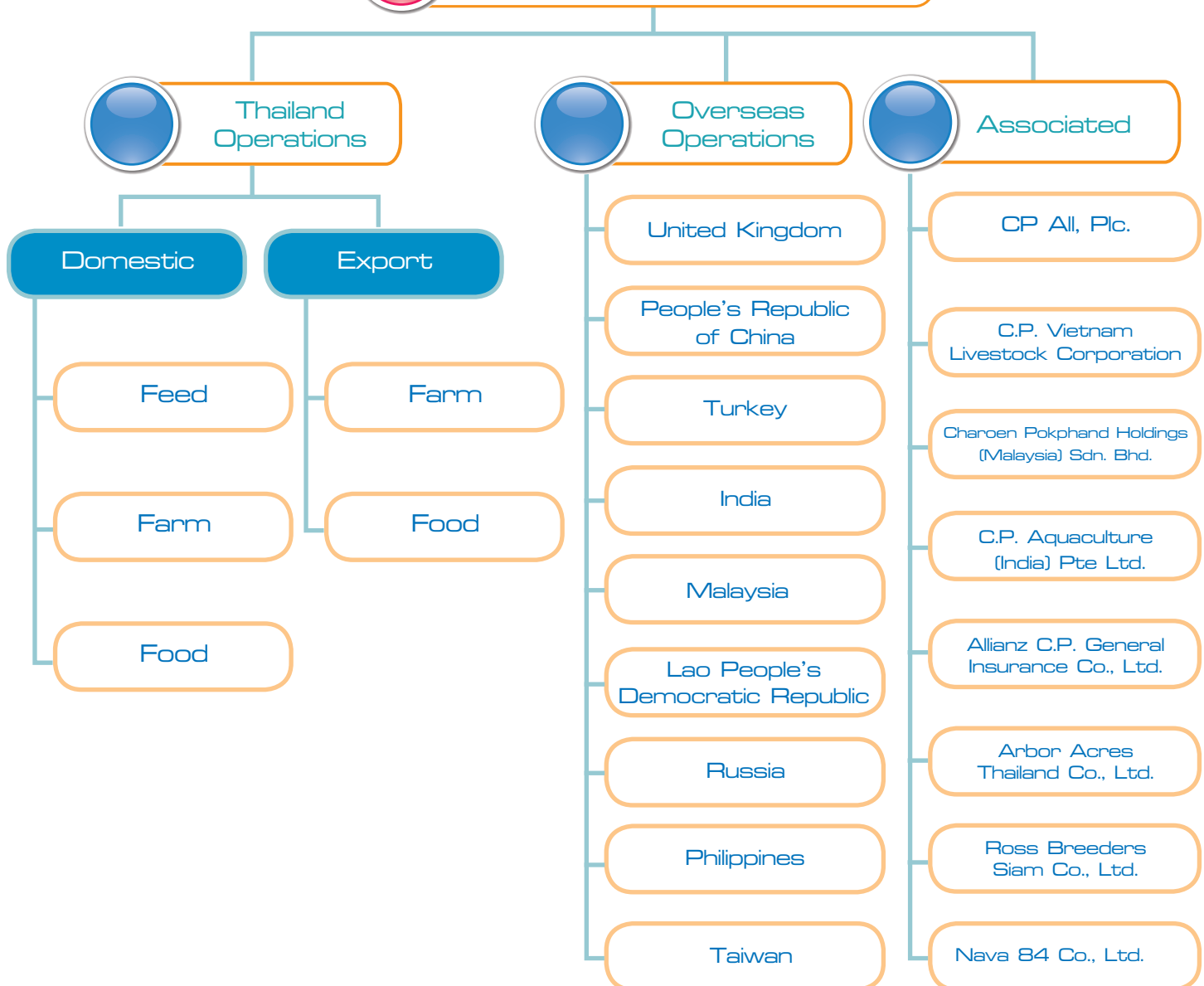
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Operations in Brief

As of December 31, 2009



CPF Group (Consolidated)



Thailand Operations

(1) Livestock business

The Company's livestock business covers broiler, layer, swine and duck. They are categorized into three main lines, namely feed, farm and food.

- Feed

The Company is the pioneer and leader in the production of various forms of livestock feed such as concentrate, powder and pellet. We have feedmill plants situated in every region of the country and some 600+ appointed agents/distributors to help market and distribute feed to small independent farmers across Thailand. In addition, some portion is sold directly to large animal farms. The Company pays attention to continuous improvement on production efficiency and product quality and keeps up-to-date on international requirements and standard. High quality feed with low feed conversion ratio to help farmers lower their farming costs.

Maize and soybean meal are main ingredients used in the production of livestock feed. The Company formulated pellet feed to meet the nutrition requirements appropriate to each stage of animal rearing and growth. Production processes are computer controlled to ensure consistency in quality and exacting standard. These feeds are manufactured and packed under company-owned brands such as CP, Hypro White, Hi-Grow, Star Feed, Novo, Safe Feed and Erawan. Selling price is based on production cost at different time of the year and also under pricing guidelines of the Internal Trade Department of the Ministry of Commerce.

As agriculture products are the major cost component accounting to 32% of total cost, the Company has set up central purchasing unit responsible for procurement of all ingredients used in livestock and aquatic feed. Our procurement policy is to purchase quality raw material meeting the required nutrition standard with priority given to domestic producers particularly those situated in close proximity to our feedmill plants. This is to support our local farmers as well as minimize transport cost. Only when domestic supply is insufficient or has inferior quality, the Company would then resort to imports. In 2009 imported ingredients accounted to 34% of total raw material cost used in animal feed production.

The slow-down of economy last year affected the consumption of livestock meat resulting in marginal growth of livestock farming. The Company resorted to improving production processes to remain competitive and employed marketing strategy of maintaining quality and providing good services both before and after-sales. The Company also provided technical knowledge to agents/distributors and directly to independent farmers through seminars and extension centers. Our technical experts are available for consultation and to give advice on animal husbandry. Information is disseminated through printed materials and electronic medium via the internet.

- Farm

The Company's livestock farming business includes animal breeder, live animal, fresh eggs and processed livestock meat.

- (a) Animal Breeder

The Company is the leader in the research and development field of natural genetic selection. The objective is to produce quality breed that is healthy, sturdy and suitable to the farming condition of Thailand. The Company produces parent stocks of chicken broiler, chicken layer, and swine as well as broiler chick, layer chick, layer, duck and piglet. The process starts with imported grandparent stocks from abroad. Then the Company breeds and raises the animals for own use and sales to independent livestock farmers and agents/distributors.

The Company's animal breeding farms are located in various provinces of Thailand. These farms are built based on closed and evaporative cooling system which is a modern farming system. Closed system is bio-secure to prevent possible entry of potential carriers. Evaporative cooling system maintains suitable temperature in the housing unit throughout the farming period with automated feeding and all computer-controlled.

Price of animal breeder is dependent of domestic supply and demand as well as quality of the breed. The Company emphasizes after-sales services and has branch offices all over the country to serve as extension centers to provide and share know-how, technical information, and marketing and distribution knowledge to farmers.

Critical aspect of animal breeding is the breeder. Origins of breeders of different animals are shown in Table below.

Major raw materials	Origin
Grandparent stock chicken broiler	imported from the US and Europe
Grandparent stock chicken layer	imported from France
Parent stock chicken broiler	from Company-owned farms and subsidiary farms, domestically
Parent stock chicken layer	from Company-owned farms
Swine breeder	imported from the US
Parent stock white shrimp	imported from the US
Animal drugs	from related companies, domestically
Animal feed	from company-owned feedmill

(b) Live Animal, Fresh Eggs and Processed Livestock Meat

Products in this category include live chicken, live duck, live swine, chicken egg, duck egg and processed livestock meat. These products are distributed to end consumers by our agents/distributors. Products are also distributed and sold to wholesalers, retailers and company-owned food processing plants and other processing plants in Thailand. Price of product would fluctuate depending on the supply and demand.

On farming, the Company is keen on continuous research and development in these areas - farming technology and techniques suitable to domestic growing condition, effective disease prevention, fast growth and low feed conversion ratio for high productivity and low production cost. At present, the Company employs closed and evaporative cooling system with computer-controlled feeding in all its poultry and pig farming.

In addition to company-owned farms, the Company promotes chicken broiler and pig farming by providing animal breed, animal feed, animal drugs and farming techniques and know-how to farmers who have passed the screening process. Most farmers participating in the program employ the evaporative cooling system. The Company will buy all their production output meeting standard set.

The Company is the first company outside of the European Union to be awarded the Animal Welfare Standard. This is the most stringent standard to date. Consideration has to be given to all aspect of the animal welfare, e.g., animal must be provided with sufficient feed and water, animal must be raised in suitable and comfortable environment, animal is free from pain and diseases, animal must have free range, and animal must not be stressed.

Output from farming is processed into various food products depending on market requirements. Some products are processed as fresh, some as chilled and some as frozen and sold to wholesalers and retailers, domestically and internationally. Selling price is subject to supply and demand in each respective market or at an earlier agreed price.

- Food

The Company adds value to its basic processed meat with additional process of boiling, steaming, frying, baking or grilling depending on customer's requirements. Products are then packed and deep frozen and distributed to retailers and wholesalers, fast food operators, modern trade, convenience store, supermarkets and supercenter. Products are also exported. Major export markets are the European Union, Japan and other Asian countries. The Company is investing to have more distribution channels in addition to the existing company-owned Five Star Chicken Kiosk and CP Fresh Mart. More overseas offices have been set up and agents appointed to provide better customer service. We now have presence in Japan, Korea, Singapore, Hong Kong, South Africa, England, Belgium, France, Switzerland, Italy, Germany, Denmark and the US.

Some of our cooked products available domestically and overseas include soya duck with noodles, frozen chicken karaage, seaweed-wrapped chicken, teriyaki chicken, roast duck, frozen steamed chicken breast, green curry chicken with rice, egg tofu, meatball and sausage. The Company produces and packs under own brand such as CP, Vee Pork, Kitchen Joy, ThaiThai, Five Stars, BK, and BKP as well as private labels. Pricing for private label is agreed at time when contract is made.

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 throughout 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 process.

The Company is committed to continuous improvement in production processes to meet internationally recognized standards. Certifications of our plants include : Good Manufacturing Practices (GMP), a production process system, Hazard Analysis and Critical Control Points (HACCP), a food safety system, EST/TH ISO 9002, a production and management system, British Retailer Consortium Standard, a production process and management system, OSHAS 18000, Occupational Safety & Health Administration Management System, ISO 14001, an environment management system and ISO 18001, workers safety system.

(2) Aquaculture Business

The Company's Aquaculture business is a total vertically integrated operation of shrimp and fish. They are categorized into three main lines, namely feed, farm and food.

- Feed

The Company is the pioneer and leader in the production and distribution of various forms of shrimp and fish feed such as concentrate, powder and pellet. Majority of our aquatic feed is distributed through agents/distributors located in shrimp farming areas. Some portion is sold directly to large shrimp farms. Soybean meal, fish meal and wheat flour are main ingredients used in the production of aquatic feed. Production processes are computer controlled to ensure consistency in quality and exacting standard. These feeds are manufactured and packed under company-owned brands such as CP, Star Feed, Marine, Hi-Grade, Novo, Erawan, D-Frog, Turbo and Safe Feed.

As the market leader, the Company's products are well recognized by consumers. An important marketing strategy is to maintain high product quality and consistent excellent customer service. Production processes are monitored and ingredients are tested to ensure quality. Company also provided technical knowledge to agents/distributors and directly to independent farmers through seminars and extension centers. Information is disseminated through printed materials. This is to ensure sustainability of the industry.

- Farm

Main products under aquatic farming are as follows:

- Shrimp Fry

Quality shrimp fry is an important factor to ensure success in shrimp farming. The Company invests in research and development to produce quality fry that are disease resistant and suitable for growing in different climatic conditions. Primary species is white shrimp and secondary species is black tiger shrimp.

- Fish Fry

The Company has developed several fish breed for commercial farming. Fish fries include tubtim fish which was developed from tilapia, morakot fish from pangasius and yok fish from grouper.

The Company's shrimp and fish hatcheries employ good farm management and modern farming techniques with effective disease prevention and control. Our quality shrimp and fish fries are sought after. Prices depend on supply and demand and quality of the fries.

- Fresh Shrimp

Fresh shrimp raised and harvested from the Company's farms are supplied to company-owned processing plants. Shrimp fries and feed are from company-owned hatchery and feedmill. The Company employs closed farming system which is environmental friendly and bio-secure. No antibiotic is used at any stage of production. Price of fresh shrimp sold to processing plants that are not company-owned is based on market price and dependent on supply and demand.

- Frozen Shrimp

The Company exports frozen shrimp from its processing plants through importers in respective market. Price is dependent on supply and demand or upon agreement based on customer's specification.

- Food

Products under this category are semi-cooked, cooked shrimp and ready-to-eat. Products are chilled and frozen and packed under company-owned brands or private labels. They are distributed domestically through modern trade, convenience store, food service and CP Fresh Mart, a company-owned distribution channel. Export is done through importers.

The Company emphasizes production of semi-cooked and ready-to-eat products depending on customers' requirements. Processing methods include boiling, steaming, and frying and products include shrimp wonton and cooked shrimp.

Major importing countries are the US, Japan, and the European Union. Modern equipment and technology are employed to meet international standard and assure quality and food safety integrity of products. Pricing is negotiated and agreed upon purchase and contract made.



Industry Overview

The agriculture sector in 2009

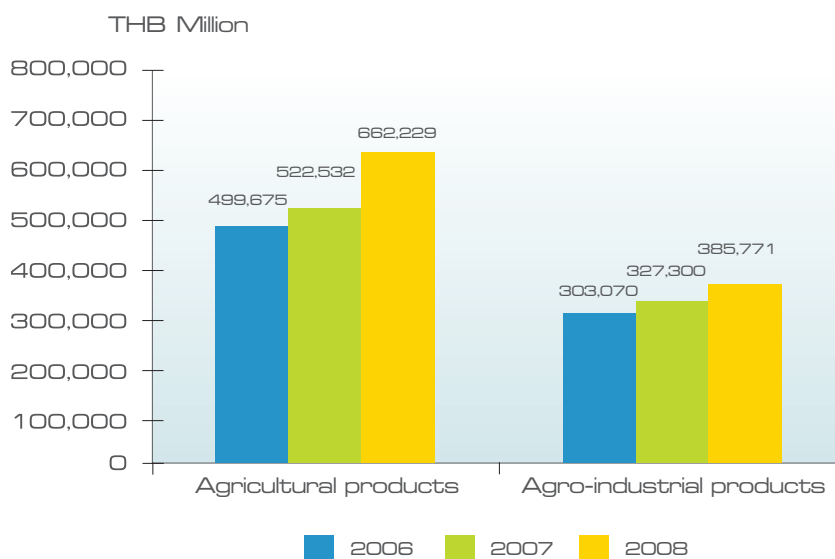
Source: the Bureau of Agricultural Development Policy and Planning, the Office of Agricultural Economics

The global economic crisis, which took place in late 2008, continued to have a deep impact throughout 2009 with the world's economy shrinking 1.1%, while major economies such as the US, EU and Japan saw a contraction of 2.7%, 4.2% and 5.4%, respectively (IMF, World Economic Outlook: October 2009).

With the global recession, consumer's purchasing power in most countries dropped sharply. The Thai agriculture sector, which relies mainly on exports, could not escape the negative effect. At the same time, the Thai baht had been strengthening since March, 2009, from THB 35.78 against US dollar to THB 33.41 a dollar in October of the same year, and this made competitiveness of Thai agricultural products in the world market fell relatively.

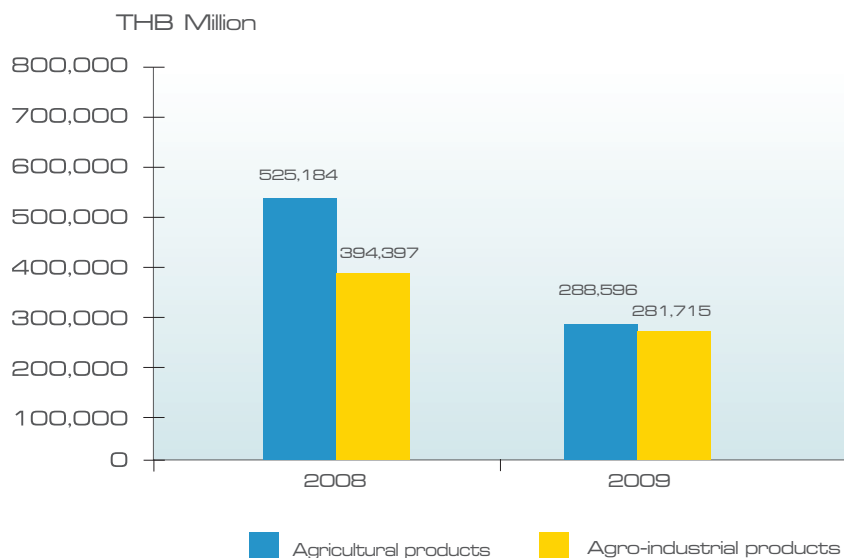
As a result, the productions and exports of Thai agricultural products got hurt and shrank. Export values of farm commodities during January-September, 2009, decreased 24.90% while values of agroindustrial products exports fell only 2.38% year-on-year.

Export value of agricultural and agro-industrial products during 2006-2008



Source : The ICT Centre, the Office of Permanent Secretary of Commerce Ministry, in collaboration with Customs Department

Export value of agricultural and agro-industrial products during 2008-2009 (January-September)



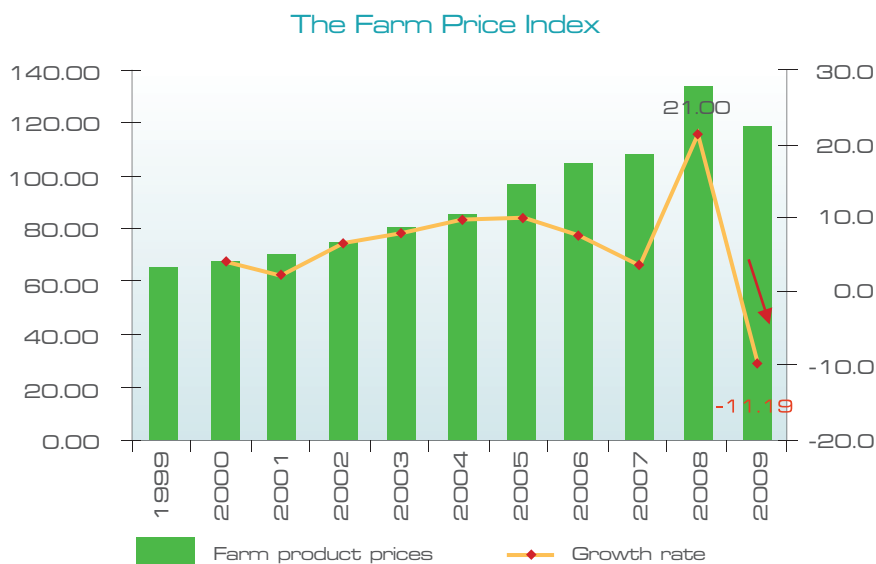
Source : The ICT Centre, the Office of Permanent Secretary of Commerce Ministry, in collaboration with Customs Department

Meanwhile, global crude oil prices in 2009 went down from the year before but were still fluctuate due mainly to speculation. But the continuing slide of US dollar caused oil prices higher resulted in higher production costs of many products. This circumstance made several manufacturers not confident to expand their production capacities. Furthermore, global inflation had a downward trend since the end of 2008 and was contracted 0.3% in May 2009 for the first month and continued negative until October at -0.1%. This reflected declining consumption and spending of local people and did not encourage a rise of product manufacturing.

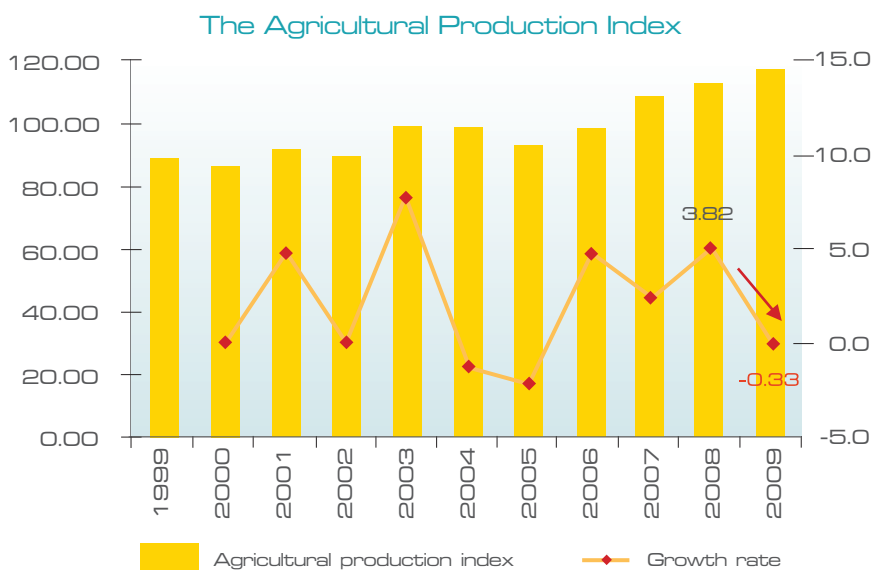
In 2009, There is no serious natural disasters except the flood in September, which was caused by low pressure trough covering the North, the Central, the East and Northeast of Thailand. Another was the flood in the Southern part, which occurred near the end of the year from heavy rainfall that brought flood in many farming and fisheries areas, but the damage was not serious.

However, the government imposed a number of policies and measures including efficient water resources and a faster farm product distribution as well as the farm-price guarantee scheme to help farmers and stabilize farm product prices during the harvest period. As a result, prices of many farm products in 2009 remained in the relatively high levels but slightly down from 2008.

With the mentioned factors above, gross domestic product of the agriculture sector fell slightly 0.23% in 2009 as prices of major farm products went down. When compared to 2008, farm product prices were seemed to weaken and the farm price index in 2009 slipped 11.19% from 133.21 to 118.30 points while the agricultural production index stood at 111.77 points, down 0.33% from 112.14 points in 2008.



Source: The Centre of Agricultural Information, the Office of Agricultural Economics



Source: The Centre of Agricultural Information, the Office of Agricultural Economics

When looking into each category, details are as following;

Livestock

It is expected that the livestock industry would grow 2.26% in 2009 as most of producers of broilers, eggs and swine, are mid- and large-sized and fully integrated, could plan their productions to properly serve demand in the market and suit with the economic conditions. As well, major production costs mainly from animal feeds have decreased from the year before while livestock prices remained in the relatively high levels in the second half of 2009.

In the last quarter of the year, the festive season drove the value of livestock production. With the consensus forecast of global economic recovery by many financial institutes, positive signs reflected an improvement of consumption and this eventually benefited the livestock sector in the second half of 2009.

However, talks with trade partner countries to expand export quotas and the penetration of new markets are a must for both the government and private sector. Neighboring countries are attractive to export more agricultural products as some of them have better economic situations and want to consume more quality products. Thailand should give importance on the image of free-from-disease country to build confidence among consumers and develop standard and safety for Thaimade products.

Fishery

In 2009, the fishery business was forecast to grow 1.96% from the previous year as the output of inland fishery products such as Tilapia fish and Stripped Catfish rose dramatically after the export promotion by the government. At the same time, the output of marine fishery products such as sea fish and squid went up slightly due to the dramatic climate change.

Shrimp farming output in the first quarter declined because of the dramatic climate change and the long rainy season. However, total shrimp output for the whole year increased, particularly for small-sized shrimp, which was in high demand.

Undoubtedly, the hurry by shrimp farmers to catch and sell their shrimps sent the prices down. To help solve this problem, the government had a mortgage scheme for 15,000 tons of white Vannamite shrimp during July-September but it modestly shored up shrimp prices, given the huge supply in the market. Moreover, higher oil prices drove up production costs for shrimp farmers. So, the government through the Ministry of Agriculture and Cooperatives sought approval from the Farm Policy and Assistant Measurement Committee on oil subsidy for shrimp farmers at two baht a litre for 12 months.

The export of frozen and cooked shrimp still had promising outlook as demand in overseas markets surged and rival exporting countries faced the outbreak of shrimp disease.

The outlook of agriculture sector in 2010

In 2010, the agriculture sector is expected to have a better growth following improving economy. The world's economy is projected to pick up and grow by 3.1% (IMF, World Economic Outlook: October 2009), prompting a rise in local consumption and product and service manufacturing.

The government's price guarantee scheme for major farm products such as rice, tapioca and maize will encourage farmers to expand the crops.

There are also other government policies and measures from both normal fiscal budgets and Thai Khem Kaeng infrastructure scheme continuously supporting the farm sector. The developing of water resources and the increasing of production yield through seed development and distribution will improve farm production.

However, negative factors including volatile oil prices and stronger baht remain a threat. In overall, the agriculture sector is expected to grow between 1.6-2.6% in 2010.

Livestock

It is estimated that the livestock sector will grow by 2.2-3.3% in 2010 as high prices last year will encourage farmers to expand the farming of swine and broiler. The global economic recovery, the government's effort to increase export quotas to European Union to compensate the higher tariff of poultry products, the implementation of e-service for livestock products traceability system and the zone of zero foot and mouth disease in the Eastern Seaboard will together boost the industry and confidence of both local and international customers to consume Thai livestock products.

Fishery

The fishery sector is expected to expand between 1.6-2.6% this year on the back of improving economy, which is driving up local demand and exports of fishery products such as sea fish and shrimp. The rising demand will encourage the expansion of production and increase prices in the domestic market. In particular, the shrimp farming, which got the oil subsidy at THB 2 a liter for 12 months, is enjoying lower production costs, so the shrimp supply will eventually increase. For the inland fishery, the Fisheries Department has many schemes to promote more fishery product exports such as Tilapia fish and Stripped Catfish farming, prompting an expansion of inland fishery.

Table 1: Gross domestic product growth of the farm sector

Unit: percentage

Sector	2008	2009
Agriculture	-0.23	1.6 - 2.6
Farm plant	-1.20	1.6 - 2.6
Livestock	2.26	2.2 - 3.2
Fishery	1.96	1.6 - 2.6
Forestry	-0.99	-1.7 - (-0.7)
Agricultural service	0.27	0.3 - 1.3

Source : forecast by the Bureau of Agricultural Development Policy and Planning,
the Office of Agricultural Economics

Table 2: Farm land and production of major agricultural products during 2007-2009

Product	2007	2008	Change (%)	2009*	Change (%)
Maize					
Farm land (million rai)	6.36	6.69	5.19	6.95	3.89
Total production (million ton)	3.89	4.25	9.25	4.45	4.71
Yield per rai (kg)	611.00	635.00	3.93	640.00	0.79
Soybean					
Farm land (million rai)	0.82	0.75	-7.60	0.75	-0.66
Total production (million ton)	0.20	0.19	-6.97	0.19	0.00
Yield per rai (kg)	247.00	248.00	0.40	249.00	0.40
Broiler					
Total production (million broilers)	879.98	920.75	4.63	890.67	-3.27
Live swine					
Total production (million swines)	13.54	12.09	-10.71	11.76	-2.73
Chicken Egg					
Total production (million eggs)	8,990.00	9,424.00	4.83	9,902.00	5.07
Hatchery shrimp					
Total production (thousand ton)	0.50	0.50	-0.40	0.46	-7.60

Source : The Centre of Agricultural Information, the Office of Agricultural Economics

Note : Information about farm plant as of October 2009

Livestock as of September 2009

Fishery as of June 2009

* forecast

Table 3: Export volume and value of major agricultural products

Products	Volume (million ton)			Value (THB Million)		
	Jan-Sept		change (%)	Jan-Sept		Change (%)
	2008	2009		2008	2009	
Frozen chicken meat (thousand ton)	16.61	17.58	5.84	941.90	1,075.00	14.13
Processed chicken meat (thousand ton)	264.37	258.12	-2.36	35,205.10	34,992.20	-0.60
Frozen pork (thousand ton)	3.51	2.16	-38.46	289.30	119.70	-58.62
Swine product (thousand ton)	3.95	4.77	20.76	1,217.27	1,233.97	1.37
Chilled and Frozen shrimp (thousand ton)	146.37	151.75	3.68	31,265.30	33,639.60	7.59
Processed shrimp (thousand ton)	112.22	123.21	9.79	27,693.20	32,647.60	17.89

Source : The Centre of Agricultural Information, the Office of Agricultural Economics

Table 4: Farm prices of major agricultural products

Product	2008		2009	Change (%)
	Whole year	Jan-Sept	Jan-Sept	
Maize with moisture not over 14% (Baht/ kg.)	5.53	6.25	4.18	-33.12
Mixed soybean (Baht/ kg.)	16.90	17.28	14.75	-14.64
Young broiler (Baht/ kg.)	37.27	37.35	37.45	0.27
Swine weight from 100 kg. (Baht/ kg.)	53.32	53.60	57.40	7.09
Black tiger pawn size 51-60 pieces/kg (Baht/ kg.)	139.00	118.00	120.00	1.69
White Vannamite shrimp size 61-70 pieces/kg (Baht/ kg.)	117.00	119.00	114.00	-4.20

Source : The Centre of Agricultural Information, the Office of Agricultural Economics

Overseas Operations

CPF overseas businesses are operated through these subsidiaries.

- (1) **Integrated chicken business in Turkey:** CPF invested through its direct and indirect 100% holding subsidiary C.P. Standart Gıda Sanayi ve Ticaret A.Ş. (“CPS”). Main businesses are manufacturing and distribution of animal feed, animal farming and food processing.
- (2) **Aquaculture business in the People’s Republic of China:** CPF invested through its direct wholly owned subsidiaries C.P. Aquaculture (Beihai) Co., Ltd. (“CPB”) and C.P. Aquaculture (Hainan) Co., Ltd. (“CPH”). Main businesses are manufacturing and distribution of animal feed and aquatic hatchery and farming. C.P. Aquaculture (Dongfang) Co., Ltd. (“CPD”) is a 100% direct holding subsidiary operating shrimp hatchery.
- (3) **Livestock and aquaculture business in India:** CPF invested through its direct and indirect 99.99% holding subsidiary Charoen Pokphand (India) Private Limited (“CP India”). Main businesses are manufacturing and distribution of animal feed and animal farming.
- (4) **Aquaculture business in Malaysia:** CPF invested through its direct wholly owned subsidiaries Star Feedmills (M) Sdn. Bhd. (“SFM”) and Asia Aquaculture (M) Sdn. Bhd. (“AA”), of which Calibre Nature (M) Sdn. Bhd., a direct 100% holding subsidiary, has 100% direct holding. Main businesses are manufacturing and distribution of aquatic feed, integrated shrimp farming and shrimp processing for domestic consumption and export.
- (5) **Chilled production plant in England:** CPF invested through its indirect 52% holding subsidiary CP Foods (UK) Limited (“CPF UK”). Main business is production of chilled food products for supply to EU countries.
- (6) **Livestock business in Russia:** CPF invested through its indirect 99.99% holding subsidiary Charoen Pokphand Foods (Overseas), LLC. (“CPF OVERSEAS”). Main businesses are manufacturing and distribution of animal feed and animal farming.
- (7) **Livestock business in Lao People’s Democratic Republic:** CPF invested through its indirect 99.61% holding subsidiary C.P. Laos Co., Ltd. (“CP LAOS”). Main businesses are manufacturing and distribution of animal feed and animal farming.
- (8) **Aquaculture business in the Philippines:** CPF invested through its direct 100% holding subsidiary Charoen Pokphand Foods Philippines Corporation (“CPFP”). Main business is shrimp hatchery.
- (9) **Livestock business in Taiwan:** CPF invested through its indirect 32.41% holding subsidiary Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (“CPE”). Main businesses are manufacturing and distribution of animal feed, animal farming and food processing.

Tax Privileges

As of December 31, 2009, some of the Company's businesses have been granted significant tax privileges as outlined below:

- **Thailand Operations**

Company / Business	Major Privileges	Commencing Year -Expiry Year
Charoen Pokphand Foods Plc.		
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	50% Income Tax Exemption	2008-2013
Shrimp Hatchery, Trat	Income Tax Exemption	2004-2012
Shrimp Hatchery, Chumporn	Income Tax Exemption	2004-2012
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 Slaughterhouse, Feather Processing Plant, Nakhon Ratchasima	Income Tax Exemption	2005-2012
Aquatic Processing Plant, Samutsakorn	Income Tax Exemption	2005-2013
Aquatic Processing Plant, Rayong	Income Tax Exemption	2005-2013
Shrimp Hatchery, Phang-nga	Income Tax Exemption	2006-2014
Aquatic Feedmill, Songkla	Income Tax Exemption	2006-2014
Aquatic Feedmill, Saraburi	Income Tax Exemption	2008-2016
Butter Production Plant, Nakorn Ratchasima	Income Tax Exemption	2009-2017
Charoen Pokphand Northeastern Plc.		
Chicken Breeder Farm, Petchaboon	50% Income Tax Exemption	2006-2011
Chicken Breeder Farm, Prajinburi	Income Tax Exemption	2003-2011

Company / Business	Major Privileges	Commencing Year -Expiry Year
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	Income Tax Exemption	2005-2013
Duck Breeder Farm, Saraburi and	Income Tax Exemption	2003-2011
Duck Farm, Prajinburi		
Pullet Farm, Prajinburi	Income Tax Exemption	2007-2015
Swine Farm, Chonburi	Income Tax Exemption	2006-2014
Egg Processing Plant, Nakhon Nayok	Income Tax Exemption (8 years)	No revenues occur yet
Swine Breeder Farm, Suphanburi	Income Tax Exemption (8 years)	No revenues occur yet
Bangkok Produce Merchandising Plc.		
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 Food Co., Ltd.		
Pet Food Plant, Saraburi	Income Tax Exemption	2004-2012
Pokphand Aquatech Co., Ltd.		
Aquatic Feedmill, Chonburi	Income Tax Exemption	2002-2010
CPF Premium Foods Co., Ltd.		
Food Processing Plant, Chachoengsao	Income Tax Exemption	2006-2012

Company / Business	Major Privileges	Commencing Year -Expiry Year
Bangkok Food Products Co., Ltd.		
Swine Farm, Prachuabkirikhan	Income Tax Exemption	2006-2014
Swine Farm, Chaiyaphum	Income Tax Exemption (8 years)	No revenues occur yet
B.P. Food Products Co., Ltd.		
Swine Breeder Farm, Rayong	Income Tax Exemption	2007-2015
Swine Breeder Farm, Pitsanulok, Nakhonratchasima	Income Tax Exemption	2008-2016
Swine Farm, Srakaew, Prajinburi	Income Tax Exemption	2009-2017

● Overseas Operations

Company / Business	Major Privileges	Commencing Year -Expiry Year
C.P. Aquaculture (Beihai) Co., Ltd.		
Aquatic Feedmill People's Republic of China	50% Income Tax Exemption	2010-2012
C.P. Aquaculture (Dongfang) Co., Ltd.		
Shrimp Hatchery, People's Republic of China	50% Income Tax Exemption	2009-2011
C.P. Laos Co., Ltd.		
Feedmill, Lao's People Democratic Republic	Income Tax Exemption 50% Income Tax Exemption	2007-2011 2012-2014
Poultry Farm and Swine Farm, Lao's People Democratic Republic	Income Tax Exemption 50% Income Tax Exemption	2007-2011 2012-2014
C.P. Standart Gida Sanayi ve Ticaret A.S.		
Grandparent Stock Chicken Farm, Turkey	Income Tax Exemption	2009-2011
Food Processing Plant, Turkey	Income Tax Exemption	No revenues occur yet
Star Feedmills (M) Sdn. Bhd.		
Aquatic Feedmill, Malaysia	Income Tax Exemption on 70% of the Statutory Income	2006-2011



Kitchen
of the *World*

Risk Factors

In investing CPF stocks and/or having interest in relation to the Company, stakeholders and investors should consider the risks that may affect the Company's performance and financial position under extraordinary situation/s resulting in Company's inability to meet objectives set.

In addition to the risks listed herewith, there may be other risks which are not known to the Company at this time or which the Company views as insignificant to the operations. Known risk factors and deemed essential to affect Company's performance are listed below.

1. Volatility of Commodity Prices

1.1 Price Volatility of Raw Materials used in Feed Production

Price volatility of major ingredients in the production of animal feed include corn, soybean meal and fish meal are affected by global as well as demand and supply in Thailand. Prices of commodity are not only affected by the demand for animal feed production, but also by the demand for energy substitute such as corn. Price of this ingredient fluctuates with the global oil price and speculation in future trading.

Supply of these ingredients varies according to weather conditions and natural calamities which may result in supply being off target. These factors are beyond the Company's control and pose risk and affect production cost of feed and meat resulting in the Company's inability to meet target profit set.

Risk Management

The Company manages risk through central purchasing of raw materials used in feed production and keeps a close watch on relevant information and situation of raw materials. The Company searches for quality suppliers and sources sufficient quantity to meet production demand. In addition, the Company has warehouse large enough to store sufficient quantity of raw materials in anticipation of future price increase. The Company also hedges through future trading.

1.2 Volatility of Price on Live Animals and Processed Meat

The Company's business on live animals and processed meat accounted to 43% of 2009 total sales revenue. Price of products depends on the demand and supply at any particular time and period as well as the economic condition and consumer purchasing power and confidence. When supply exceeds demand, selling price may be below expected price and thus, will impact Company's profit.

Risk Management

The Company manages the risk of price volatility of live animals and processed meat by producing different types of meat products. In doing this, the Company reduces the risk of producing meat products that have selling price lower than its cost. Moreover, the Company aims to sell more value added products and food products such as ready meals and cooked meat which prices are not as volatile as commodity products.

2. Disease Outbreak and Consumer Confidence

The Company is engaged in animal farming and manufacturing of meat products. Thus, the Company's performance and industry as a whole will be greatly affected by disease outbreak. Even though disease outbreak may not directly affect the Company's operation but it will have major impact on consumer confidence which lead to less meat consumption. In addition, serious disease outbreak will greatly affect international trading and exports.

Risk Management

Through the years, the Company has researched and upgraded our farming technology, farm management system, sanitation and bio-security measures. Modern computer-controlled programming is employed to controlled evaporative cooling system for livestock farming and Pro-biotic farming for shrimp farming.

In addition, the Company has teams of animal husbandry and aquaculturists who regularly visit our contract farmers, feed and breed customers to share and educate on new technology and information. This provides confidence to the consumers regarding farm management and disease control and safety of our products.

However, the Company's profitability may indirectly affect by disease outbreak, as in the year 2004 when Thai poultry industry was affected by the global bird flu outbreak. Since then, the situation has returned to normalcy except for export of fresh frozen chicken which is still restricted as Thailand has not yet been classified as a country free from bird flu.

3. Worldwide Recession

In addition to exports from Thailand to countries around the world, the Company has several overseas operations. Income from exports and overseas operations accounted to 34% of total sales revenue in 2009.

Current worldwide recession which was started by the US housing sector crisis will have some impact on consumer purchasing power and may cause fluctuation in foreign exchange, interest and inflation rates, cost of energy and transportation as well as cash flow and current account of Thailand and other countries. All of these will have effects on the performance of the Company.

Risk Management

To cope with worldwide recession, the Company has set forth policy to control expenses and increase production efficiency and productivity. The Company shall manage its assets to produce highest returns and shall be very cautious on capital expenditures to ensure lowest risk. Close monitoring on financial planning and emphasis will be given to managing cash flow and finance cost.

Despite all considerations given to this matter, there may be other unforeseen incidences which may hamper the economy that will impact the Company's performance and objectives.

4. Fluctuation in Foreign Exchange

Fluctuation in foreign exchange may affect the export revenue and cost of imported raw materials used in the production of animal feed. In 2009, export value of CPF and subsidiaries in Thailand was THB 25,130 million or 15% of total sales revenue and imported raw material total THB 14,840 million or 34% of total cost. Strong baht will lower the revenue of products exported and weak baht will make cost of raw materials imported higher. In addition to import of raw materials, the Company also imports equipments and machineries. Thus, fluctuation in foreign exchange may affect Company's financial status and performance.

Risk Management

The Company has policy to fix exchange rate to know cost and price setting in Thai baht. This measure guarantees profitability set. The Company also has policy to buy raw materials and trade in other currencies other than US dollar to spread the risk.

5. Overseas Investment

On overseas investment, the Company has invested in animal feed production, farming and meat processing in 9 countries namely, Turkey, Malaysia, India, People's Republic of China, England, Russia, Lao People's Democratic Republic, Taiwan and the Philippines. (Details of overseas investment are shown under Heading 9 Investment in Subsidiaries of Notes accompanying Financial Statements for period ending December 31, 2009). In 2009, revenues from overseas operation totaled 19% of total sales revenue.

Performance of overseas operations may be affected by global recession, changes in the rules and regulations of each country such as tax rate, minimum wage, trade policy, import and export quotas, foreign exchange and political changes. All these factors will have impact on performance and profitability of the Company.

Risk Management

The Company has investment policy which clearly stipulates control and follow-up system which incorporates the appointment of Managing Director and Financial Controller. The Company also has meeting in Thailand to review performance and updating plan and objectives at least every 6 months.

6. Consumers Confidence on Food Safety

Consumers are more concerned with the freshness, cleanliness and food safety of meat and food products. Thus, the Company's performance may be affected if consumers confidence was lower due to food contamination, spoilage from raw materials used in processing, distribution system or poor stock keeping by distributors and retailers.

Risk Management

The Company gives full attention to its production process to ensure international standards are met, with strict quality control and traceability at all stages of production, distribution and storage. The Company continues to support its brand with advertising, public relations and promotions to provide assurance on the quality and food safety of its products.

7. Trade Barriers

The Company exports to many countries around the world. In 2009, export value of CPF and subsidiaries in Thailand accounted to THB 25,130 million or 15% of total sales revenue. With free trade policy, import duty and tariff are taking less active role. However, trade barriers in non-tariff forms are being implemented by importing countries. These trade barriers will affect the competitiveness of the export industry as well as individual company performance. They may also indirectly affect different operations of the Company.

Examples include antidumping duty on import Thai shrimp by the US, restriction on import quota of chicken meat by the European Union, restriction on the number of factory that can export cooked chicken to Japan, and the strict regulations on import of value-added pork by Singapore and the European Union.

Risk Management

The Company gives great importance to continual study and close monitoring on international trade regulations. The up-to-date information will be the basis for the Company to develop strategy that would be in line and cope with the regulations. However, trade barriers can be implemented any time and could not be precisely forecast.

The Company has set up distribution channels in many countries around the world in order to be in the market place. Expansion of investment to other countries will also lessen the impact from the risks aforementioned.



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

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

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

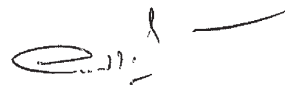
The Audit Committee, whose members are independent directors, was designated by the Board to review the quality of the financial reporting and the effectiveness of internal control system and report the review result to the Board.

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2009.



Mr. Dhanin Chearavanont

Chairman



Mr. Adirek Sripratak

President and Chief Executive Officer

Management's Discussion and Analysis

Highlights of the Consolidated Financial Statements and Key Financial Ratio

Consolidated balance sheet of CPF and its subsidiaries as of 31 December 2007, 2008 and 2009

	As of 31 December					
	2007		2008		2009	
	THB, million	%	THB, million	%	THB, million	%
Cash and cash equivalents	3,080	3	3,453	3	10,522	9
Accounts receivable — trade and others	13,560	13	14,115	13	14,361	12
Inventories	27,112	27	27,888	26	26,284	23
Other current assets	1,519	1	1,804	2	2,267	2
Total current assets	45,271	44	47,260	44	53,434	46
Long term investments	8,433	8	10,268	9	11,946	11
Property, plant and equipment	44,234	43	44,706	42	46,422	40
Other non-current assets	4,608	5	5,276	5	3,896	3
Total non-current assets	57,275	56	60,250	56	62,264	54
TOTAL ASSETS	102,546	100	107,510	100	115,698	100
Overdrafts and short-term borrowings						
from financial institutions	20,445	20	20,962	20	9,745	8
Notes payable	4,026	4	2,673	2	-	-
Accounts payable - trade and others	7,967	8	7,607	7	9,106	8
Current portion of long-term debts	2,664	2	5,483	5	6,294	5
Other current liabilities	2,835	3	3,184	3	4,492	4
Total current liabilities	37,937	37	39,909	37	29,637	25
Long-term debts	17,143	17	18,365	17	26,758	23
Other non-current liabilities	3,251	3	3,685	4	4,324	4
Total non-current liabilities	20,394	20	20,050	21	31,082	27
TOTAL LIABILITIES	58,331	57	61,959	58	60,719	52
SHAREHOLDERS' EQUITY	44,215	43	45,551	42	54,979	48

Consolidated balance sheet of CPF and its subsidiaries as of 31 December 2007, 2008 and 2009

	2007		2008		2009	
	THB, million	%	THB, million	%	THB, million	%
Revenue from sale of goods	134,809	99	156,238	99	165,063	99
Other income	1,893	1	1,547	1	2,237	1
TOTAL REVENUES	136,702	100	157,785	100	167,300	100
Cost of sale of goods	117,936	86	135,738	86	135,871	81
Selling and administrative expenses	15,852	12	16,489	11	17,558	11
Others	38	-	509	-	584	-
TOTAL EXPENSES	133,826	98	152,736	97	154,013	92
Share of profit of associates	948	1	1,162	1	1,591	1
Profit before finance costs and						
income tax expense	3,824	3	6,211	4	14,878	9
Finance costs	2,347	2	2,769	2	1,949	1
Income tax expense	49	-	218	-	2,539	2
Profit after income tax expense	1,428	1	3,224	2	10,390	6
Net attributable to minority interests	(153)	-	(96)	-	(200)	-
NET PROFIT	1,275	1	3,128	2	10,190	6

Consolidated balance sheet of CPF and its subsidiaries as of 31 December 2007, 2008 and 2009

(Unit : THB, million)

	2007	2008	2009
Net cash provided by operating activities	5,801	6,449	22,340
Net cash used in investing activities	(5,767)	(4,816)	(4,917)
Net cash provided by (used in) financing activities	1,660	(1,277)	(10,143)
Net increase (decrease) in cash and			
cash equivalents	1,694	356	7,280
Cash and cash equivalents at the beginning			
of the year	1,167	2,906	3,390
Effect of exchange rate changes on			
the balances held in foreign currencies	45	128	(154)
Cash and cash equivalents at end of year	2,906	3,390	10,516

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

	2007	2008	2009
Liquidity ratios			
Current ratio ¹ (times)	1.19	1.18	1.80
Quick ratio ² (times)	0.44	0.44	0.84
Cash flow liquidity ratio ³ (times)	0.16	0.17	0.64
Accounts receivable turnover ⁴ (times)	9.97	11.01	11.30
Collection period ⁵ (Days)	36	33	32
Inventory turnover ratio ⁶ (times)	18.54	24.42	24.85
Inventory turnover ⁷ (Days)	19	15	14
Accounts payable turnover ⁸ (times)	15.88	17.43	16.26
Payable period ⁹ (Days)	23	21	22
Cash Cycle ¹⁰ (Days)	32	27	24
Profitability ratios			
Gross profit margin ¹¹ (%)	12.52	13.12	17.69
Operating profit margin ¹² (%)	2.84	3.78	9.01
Net profit margin ¹³ (%)	0.93	1.97	6.03
Return on Equity ¹⁴ (%)	2.93	6.97	20.27
Operating efficiency ratios			
Return on fixed assets ¹⁵ (%)	13.03	17.16	32.40
Asset turnover ¹⁶ (times)	1.39	1.51	1.51

Note:

¹ Current ratio = Total current assets / Total current liabilities

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

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

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

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

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

⁷ Inventory turnover = 360 / Inventory turnover ratio

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

⁹ Payable period = 360 / Accounts payable turnover

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

¹¹ Gross profit margin = Gross profit / Net sales

¹² Operating profit margin = Profit before 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 assets

¹⁶ Asset turnover = Total revenues / Average total assets

	2007	2008	2009
Leverage ratios			
Debt to equity ¹⁷ (times)	1.32	1.36	1.10
Interest coverage ¹⁸ (times)	2.47	2.61	12.02
Debt service coverage ¹⁹ (times)	0.44	0.50	0.80
Dividend payout ^{20, 21} (%)	50.13	58.07	59.92

This management's discussions and analysis is based on the consolidated financial statements of CPF and its subsidiaries for the year ended December 31, 2009. It includes financial statements of CPF and subsidiaries as stated in No.1 General Information of notes to financial statements.

2009 Operating Results

(1) The overview of the operating results

The Company had total sales of THB 165,063 million in 2009, increasing 6% year-on-year, resulted from the 1% increase of Thailand operations and 32% increase of overseas operations. Sales from the aquaculture business in Thailand rose 10%, while sales from the livestock business in Thailand decreased by 3%. The increase of the overseas operations' sales was from 34% increase in the livestock business and 29% increase in aquaculture business.

The Company's operating profit in 2009 was THB 10,190 million, increasing 226% compared to the previous year, mainly due to the increase in operating results of Thailand and overseas operations, especially in Turkey, the sale expansion of ready-to-eat products under CP Brand to markets worldwide, and the efficiency in production and finance cost management which continuously improved.

Note:

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

²¹ Dividend payout ratio beyond 2008 were computed based on the Company's separate financial statements

(2) Operating results of each business line

Sales structure of CPF and its subsidiaries for the years ended 31 December 2007, 2008 and 2009

	2007		2008		2009		Change
	THB, million	%	THB, million	%	THB, million	%	
1. Thailand Operations	112,905	84%	131,980	85%	133,000	81%	1%
1.1 Livestock Business	79,176	59%	98,012	63%	95,503	58%	-3%
Feed	23,767	18%	30,559	20%	26,987	16%	-12%
Farm	33,236	25%	41,771	27%	43,712	27%	5%
- Domestic	33,023	25%	41,608	27%	43,396	27%	4%
- Export	213	-	163	-	316	-	94%
Food	22,173	16%	25,682	16%	24,804	15%	-3%
- Domestic	7,733	6%	9,198	6%	9,539	6%	4%
- Export	14,440	10%	16,484	10%	15,265	9%	-7%
1.2 Aquaculture Business	33,729	25%	33,968	22%	37,497	23%	10%
Feed	16,603	12%	16,920	11%	19,001	12%	12%
Farm	11,548	9%	11,173	7%	11,853	7%	6%
- Domestic	7,730	6%	7,853	5%	8,532	5%	9%
- Export	3,818	3%	3,320	2%	3,321	2%	-
Food	5,578	4%	5,875	4%	6,643	4%	13%
- Domestic	377	-	360	-	415	-	15%
- Export	5,201	4%	5,515	4%	6,228	4%	13%
2. Overseas Operations	21,904	16%	24,258	15%	32,063	19%	32%
2.1 Livestock Business	14,622	11%	16,045	10%	21,508	13%	34%
2.2 Aquaculture Business	7,282	5%	8,213	5%	10,555	6%	29%
TOTAL SALES	134,809	100%	156,238	100%	165,063	100%	6%

Operating results of each business location and business line

(1) Thailand operations

Sales from Thailand operations totaled THB 133,000 million in 2009, increasing 1% year-on-year. Details of operating results of each business line are as follows:

Livestock business in Thailand

Sales from the livestock business in Thailand was THB 95,503 million in 2009, or 58% of the Company's total sales, decreasing 3% year-on-year. The proportion of domestic sales to export sales was 84 : 16

In 2009, the gross profit margin of the livestock business in Thailand was 18%, increasing from the previous year's gross profit margin of 14%, as a result of continuous improvement of efficiency in production.

Aquaculture business in Thailand

Sales from the aquaculture business in Thailand amounted to THB 37,497 million in 2009, rising 10% from THB 33,968 million of the prior year. This was due to the improvement of aquaculture business industry in Thailand.

In 2009, the gross profit margin of the aquaculture business in Thailand was 20% increasing from the previous year's gross profit margin of 16% due to the continuous improvement of the efficiency in production.

(2) Overseas operations

Sales from overseas operations totaled THB 32,063 million in 2009, increasing 32% year-on-year. This arising was from the sales increase in livestock business in Turkey and India, as well as the sales contribution from the Company's new subsidiary in Taiwan which was acquired in the third quarter 2009 and aquaculture business in Malaysia and China.

In 2009, the gross profit margin of overseas livestock business and overseas aquaculture business were 15% and 14%, respectively.

Dividend payment

In accordance with the Company's dividend policy, the sum of dividend payments from each year operating results will be approximately 50% of net profit after tax and appropriations to legal reserve (based on the separate financial statements of the Company). The Company paid an interim dividend considering from the first six months results of 2009 at THB 0.23 per share or total of THB 1,621 million on September 4, 2009. In addition, the Company's Board of Directors had a resolution on February 19, 2010 to pay an annual dividend considering from the second half results at THB 0.50 per share or THB 3,525 million. The annual dividend when combined with the interim dividend paid during the year 2009 will totally be THB 5,146 million or THB 0.73 per share, which equivalent to 60% of net profit of the year 2009 according to the Company's separate financial statements. The Board of Directors shall propose the annual dividend payment to the Annual General Shareholders' Meeting No. 1/2010 which will be held on April 21, 2010 for further approval.

Financial position

(1) Assets

As of December 31, 2009, the Company's total assets amounted to THB 115,698 million, comprising of THB 53,434 million in current assets, THB 46,422 million in property, plant and equipment, and THB 15,842 million in long-term investments and others.

Assets as of December 31, 2009 increased by 8% from the year earlier mainly due to the increase in cash and cash equivalents, investments in associates and assets of the Company's new subsidiary which was acquired in the third quarter 2009.

(2) Liquidity

In 2009, the Company had net cash from operating activities THB 22,340 million. Net cash used in investment activities was THB 4,917 million. Net cash used in financing activities was THB 10,143 million. The source of cash was generated from debentures issuance and loans from other financial institutions worth a total of THB 14,699 million. The uses of cash comprised of payments made on short term loans, notes payable, long term loans, debentures, interest expenses, dividend and others amounting to THB 24,842 million. The cash and cash equivalents as of December 31, 2009 was THB 10,516 million.

As of December 31, 2009, the Company's current ratio was 1.80 times, increased from 1.18 times at the end of previous year. Cash cycle was 24 days, decreased from 27 days of the end of previous year.

As of December 31, 2009, The Company is obliged to make payments on long term loans and debentures in the amounts of THB 6,290 million in 2010, THB 7,904 million in 2011, THB 4,519 million in 2012 and THB 14,333 million in 2013-2015. The Company's outstanding debentures totaled THB 27,200 million. Details are as follows:

- 1) A debenture worth THB 2,000 million was issued on June 16, 2005 carrying a coupon rate of 5.00% per year and a maturity of 5 years.
- 2) A debenture worth THB 3,800 million was issued on 5 July 2006 carrying a coupon rate of 6.90% per year and a maturity of 5 years.
- 3) A debenture worth THB 6,000 million was issued on October 19, 2007, divided into 2 series. The first series worth THB 3,500 million carries a coupon rate of 4.25% per year and a maturity of 3 years. The second series worth THB 2,500 million carries a coupon rate of 4.90% per year and a maturity of 5 years.

- 4) A debenture worth THB 6,000 million was issued on August 15, 2008, divided into 2 series. The first series worth THB 3,000 million carries a coupon rate of 5.15% per year and a maturity of 3 years. The second series worth THB 3,000 million carries a coupon rate of 5.70% per year and a maturity of 5 years.
- 5) A debenture worth THB 8,400 million was issued on November 25, 2009, divided into 3 series. The first series worth THB 2,200 million carrying a coupon rate of 3.90% per year and a maturity of 4 years. The second series worth THB 3,200 million carrying a coupon rate of 4.30% per year and a maturity of 5 years. The third series worth THB 3,000 million carrying a coupon rate of 4.80% per year and a maturity of 6 years.
- 6) A debenture worth THB 1,000 million issued on December 22, 2009 carrying a coupon rate of 4.40% per year and a maturity of 5 years 5 months and 8 days.

(3) Source of funds

The Net debt to Equity Ratio as of December 31, 2009 was 0.94 times (lower than the indicated Net Debt to Equity Ratio specified in the Term and Condition of debenture issuer and representatives for all outstanding debentures that the Company committed to maintain this ratio not above 2.00 times). Total liabilities of THB 60,719 million comprised of THB 17,922 million in interest bearing liabilities and THB 42,797 million in non-interest bearing liabilities. Interest bearing liabilities comprise of short-term liabilities and long-term liabilities amounted THB 16,039 million and THB 26,758 million, respectively.

As of December 31, 2009, shareholders' equity was THB 54,979 million, increasing 21% year-on-year. Increase in shareholders' equity mostly was from the increase in operating profits and minority interest of the Company's new subsidiary which was acquired in the third quarter of 2009.

(4) Investment in 2010

The Board of Directors approved the capital expenditure for the year 2010 totaled THB 6,719 million. THB 3,319 million will be invested in Thailand and THB 3,400 million will be invested in overseas. Investment plans may change according to changes in the business environment.



Kitchen
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Investment and Management Policy

The management structure of CPF is functioned by business line. Following consolidation of agroindustry business of Charoen Pokphand Group to be under the Company in 1999, CPF has distinct investment policy of investing only in core-business and/or businesses relating to core-business only.

As of December 31, 2009, CPF has investments in subsidiaries, associated companies, and related companies of THB 20,142 million, equivalent to 25% of CPF's total assets. CPF's policy is to appoint management representatives to be directors with authority to control, govern and manage subsidiaries effectively and efficiently. CPF monitors performance of its group of companies by conducting meeting at least every 6 months to review performance and to set and guide in business planning.

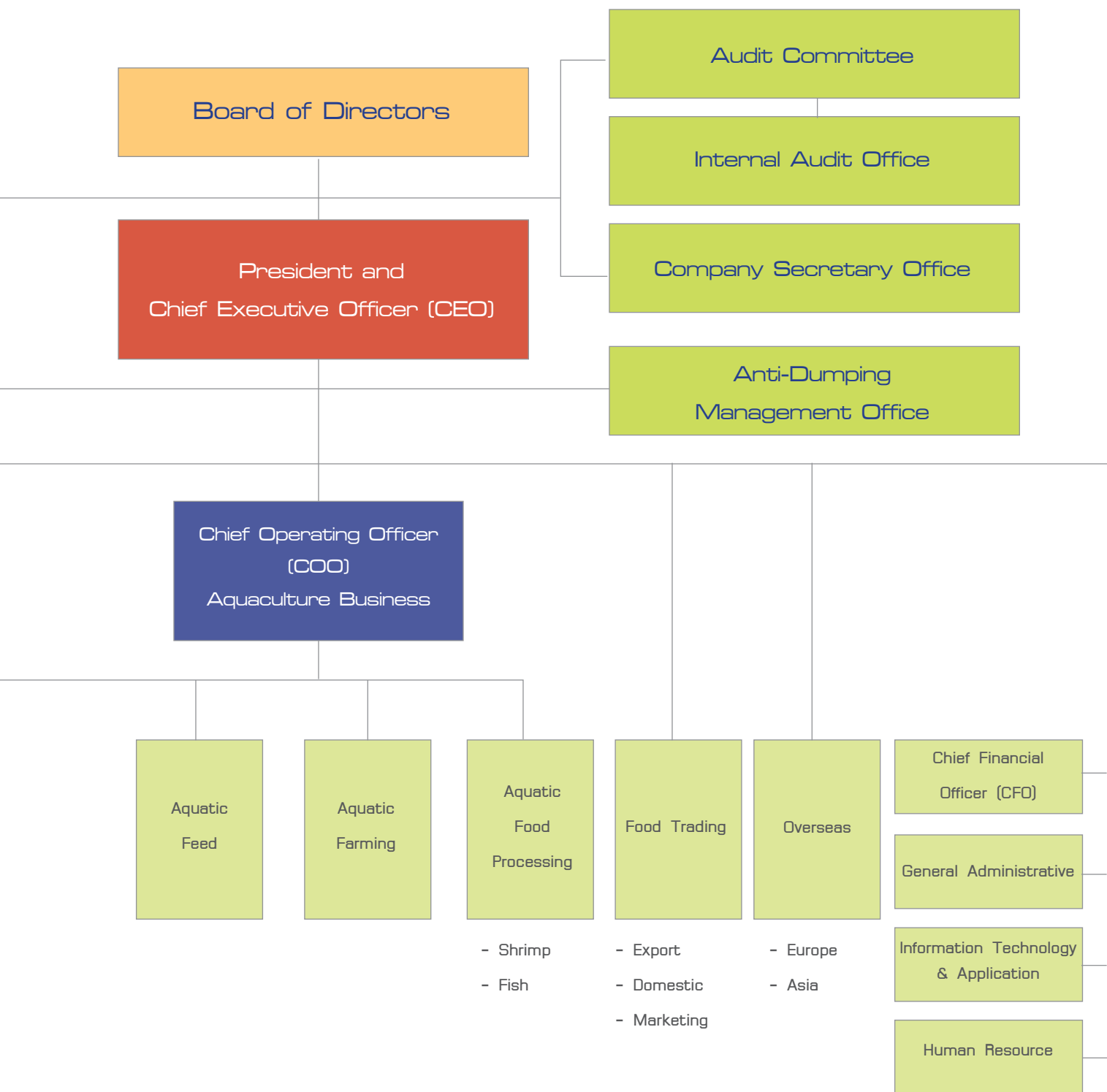
For each investment consideration, CPF may be investing directly or through one of its subsidiaries which already operates related-business. CPF's policy is to have 100% holding in its subsidiaries, except for joint-ventures with strategic partners.



Management Structure

As of December 31, 2009





Board of Directors

As of March 1, 2010, CPF has 14 Board of Directors as follows:

Name	Position
1. Mr. Dhanin Chearavanont	Chairman ⁽¹⁾
2. Pol. Gen. Pow Sarasin	Vice Chairman & Independent Director ⁽²⁾
3. Mr. Prasert Poongkumarn	Vice Chairman
4. Mr. Min Tiewanworn	Vice Chairman
5. Mr. Chingchai Lohawatanakul	Vice Chairman ⁽¹⁾
6. Mr. Arsa Sarasin	Independent Director ⁽²⁾
7. Professor Dr. Athasit Vejajiva	Independent Director ⁽²⁾
8. Emeritus Professor Supapun Ruttanaporn	Independent Director ⁽²⁾
9. Mr. Phongthep Chiaravanont	Director ⁽¹⁾
10. Dr. Veeravat Kanchanadul	Director ⁽¹⁾
11. Mr. Adirek Sripratak	Director ⁽¹⁾
12. Mr. Pong Visedpaitoon	Director ⁽¹⁾
13. Mr. Sunthorn Arunanondchai	Director ⁽¹⁾
14. Mrs. Arunee Watcharananan	Director ⁽¹⁾

Note : ⁽¹⁾ Directors No.1,5 and 9-14 are authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed.

⁽²⁾ Directors No.2, and 6-8 are independent directors with qualifications in accordance to the Notification Capital Market Supervisory Board No. Tor Chor, 4/2552 Re: Application for Approval of Offer for sale of Newly Issued Shares (No.2).

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 March 1, 2010, the Company's Board of Directors comprised of 4 independent directors, 5 executive directors and 5 non-executive directors. The Board of Directors appoints the Chairman and the Vice Chairman. The Board chairman will conduct the Board of Directors' meeting except in case that the Chairman may lack of independence or in an agenda that the Chairman has conflict of interest, an independent director shall preside as Chairman of the meeting in considering the agenda.

Every board member of the Company has residence in Thailand. They have experience and comprehend the various obstacles that may arise. They perform effectively and can create competitive advantage and provide beneficial insights on risk management. Furthermore, every board member is qualified and meets all the qualifications stipulated under the law, regarding Public Limited Company and Securities and Exchange Commission.

Every Independent Director has qualifications in accordance with the Notification of the Office of the Securities and Exchange Commission No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Share (No. 2), that is, the Independent Directors do not hold more than 1% of the voting shares of the Company, its subsidiaries, or any juristic person having conflict of interest with the Company. Independent directors do not have any involvement with the Company in terms of employee, management and/or are provider of professional services. They do not have business relationship with the company nor represent any specific shareholder group, nor operate any business which has the same nature as and in competition with the Company, thus allowing independent judgment and ensuring that interests of all shareholders are equally protected.

As of March 1, 2010, the Board of Directors consisted of 14 members, and 4 of them were independent directors. On February 19, 2010 the Board of Director's meeting passed the resolution to propose the candidate, who has qualifications according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552, as a new independent director in adding, to the Annual General Shareholders Meeting No. 1/2010 for the appointment. Upon the appointment, the Board shall consist of 5 independent directors of total 15 directors or one-third of all the members of the Board of Directors.

Appointment and Selection

The directorship of the Company has a 3-year term, except when it is the replacement of director who left before the terms is up. At every annual general shareholders' meeting, one-third of the directors shall retire from office. If the number of directors is not in 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 appointing a new director, the Remuneration and Nominating Committee shall recruit persons with qualifications, knowledge and expertise suitable for the position.

In case of a vacancy in the Director and/or Independent Director position, for reasons other than completion of term and the remaining term left is at least two months, the Remuneration and Nominating Committee shall recruit persons with required qualification and do not have prohibited qualification by law to serve as Director starting from 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 and/or Independent Director, each director will be informed on important company information, Board of Directors' codes of conduct that clearly describe the roles and responsibilities of directors, advice concerning the legal obligations, rules, regulations and conditions on 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 Vote for the Appointment of Directors under the Following Criteria:

1. Each shareholder shall have a number of votes equal to one share one vote.
2. Each shareholder must exercise all the votes he has to appoint one individual or several individuals to be director(s) but shall not split his votes among persons or group of persons.
3. Persons receiving the highest number of votes in descending order shall be appointed as directors depending on the position available at such time. In the event that more than one person receiving same number of votes for the last directorship position, the chairman of the meeting shall have the final casting vote.
4. At shareholder's meeting, any director may be dismissed from directorship before his term is up by the resolution of not less than three-fourths of the number of shareholder in attendance who have the right to vote and collectively hold no 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 have been entrusted by shareholders to honestly and fairly manage the Company's business as indicated in the Objectives of the Company and in compliance with the Articles of Association of the Company, the resolutions of the shareholders' meetings and related regulations. The Board of Directors 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, sets direction of the Company and oversees duties performed by management to ensure that it is in line with the Company policy. The Board of

Directors delegates authority and responsibility of day-to-day management to the President and top management and 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 reports to the Board of Directors.

In addition, the Board of Directors appoints the Company Secretary to counsel and assist the Board of Directors in areas of legal and corporate governance compliance. The Company Secretary 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. Perform duties in accordance with the law, the Company's objectives and Articles of Association of the Company and the resolutions of Shareholders' Meeting, and with accountability, care and integrity.
2. Set out the main policy with respect to business operation and the policies in finance, fund raising, fund management and risk management for the Company and supervise the management to perform its duties efficiently and effectively under such policies.
3. Consider and approve the Company's objectives, strategy and business plans, and monitor the operational results as set out by the approved plans.
4. Consider and approve important matters which are required by relevant laws or the Company's rules and regulations to be granted approval by the Board of Directors or the Company's Shareholders Meeting.
5. Set up the internal control system for the operation, financial reports and compliance with the laws and the Company's Rules and Regulations. The Internal Audit Office is assigned to inspect and monitor compliance with the internal control system and report to the Audit Committee. The Board of Directors will make an annual assessment on the adequacy and appropriateness of the internal control system and include its opinion in the annual report.
6. Make an assessment on compliance with the corporate governance policy and revise such policy at least once a year.
7. Appoint the President and supervise and monitor the performance of the President in accordance with the Company's corporate governance policy within the framework of duties authorized by the Board of Directors. Make an annual evaluation of the President performance in order to support the determination of the President remuneration.

8. Appoint the Company Secretary to be responsible for the matters as required by the law.
9. Appoint the Audit Committee, the Executive Committee and other sub-committees in order to assist the Board of Directors in supervising the Company's business undertaking to achieve the Company's objectives. Majority of the sub-committees consist of independent directors, and the Chairmen of sub-committees are all independent directors.
10. Set up the director and management development plan and succession plan.

The Board of Director's meeting convened on August 27, 2008 passed the resolution to appoint Miss Patchara Chartbunchachai to be the Company Secretary with responsibilities in preparing and maintaining directors profile, notice and minutes of the meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and executive shareholding report, and performing other duties as required by the Capital Market Supervisory Board.

Audit Committee

CPF's Audit Committee and its chairman were appointed by the Board of Directors. The current Audit Committee term is 3 years, and will retire from office on December 23, 2011. As of March 1, 2010 the members of the Audit Committee comprise of 4 independent directors as follows:

Name	Position
1. Pol. Gen. Pow Sarasin	Chairman of the Audit Committee
2. Mr. Arsa Sarasin	Member
3. Professor Dr. Athasit Vejajiva	Member
4. Emeritus Professor Supapun Ruttanaporn	Member

Mr. Chalermchon Koonthonwan is a Secretary of the Audit Committee.

Emeritus Professor Supapun Ruttanaporn, a member of the Audit Committee, has knowledge, understanding and experience in accounting and finance affecting the changes in financial report. The Audit Committee can seek advice from an independent specialist.

The term of service of committee members is 3 years, and 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 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.

The Audit Committee has to conduct the meeting at least 4 times a year. In each Audit Committee meeting, the Audit Committee is empowered to invite the President, Chief Operating Officer, Chief Financial Officer, executives, Auditor and Head of the Internal Audit Office to attend the meeting for clarification purposes. The Audit Committee also meets the Company's External Auditor without management at least once a year.

Roles and Responsibilities of the Audit Committee

The Board of Directors revised the roles and responsibilities of the Audit Committee in compliance with the Notification of the Stock Exchange of Thailand Re: Qualification and Scopes of Duties of the Audit Committee 2008 dated June 9, 2008. as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient;
3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange's regulations and the laws relating to the Company's business;
4. To determine the independence of the Internal Audit Office, as well as to approve the appointment, transfer and dismissal of the Internal Audit Office chief;
5. To consider, select, nominate the independent person to be the Company's external auditor, and to propose such person's remuneration, as well as, to attend a non-executive meeting with the external auditor at least once a year;

6. To review the connected transactions or the transactions that may lead to conflict of interests, to ensure that they are in compliance with the laws and Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company;
7. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's chairman and consist of at least the following information:
 - an opinion on the accuracy, completeness and creditability of the Company's financial report;
 - an opinion on the adequacy of the Company's internal control system;
 - an opinion on the compliance with the law on securities and exchange, Stock Exchange's regulation or the laws relating to the Company's business;
 - an opinion on the suitability of the external auditor;
 - an opinion on the transactions that may lead to conflicts of interests;
 - the number of the audit committee meetings and the attendance of such meetings by each committee member;
 - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Audit Committee charter; and
 - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
8. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

In its performance of duties under the scope aforementioned, the Audit Committee must be directly responsible to the Company's Board of Directors, while the Company's Board of Directors shall remain responsible to third parties for the operations of the Company.

The Remuneration and Nominating Committee

CPF's Remuneration and Nominating Committee was appointed by the Board of Directors as of March 18, 2009 and effective since April 1, 2009. 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.

As of March 1, 2010, the Remuneration and Nominating Committee comprises of 3 members, 2 members, are independent directors, and another is non-executive director, namely as follows:

Name	Position
1. Pol. Gen. Pow Sarasin	Chairman of the Remuneration and Nominating Committee
2. Mr. Arsa Sarasin	Member
3. Mr. Prasert Poongkumarn	Member

The Board of Directors appoints the Chairman and member of the Remuneration and Nominating 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 approval 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 at least one month in advance.

The meeting of Remuneration and Nominating Committee shall be held at least once a year. Additional meetings shall be properly arranged upon the approval of its Chairman. In each Committee meeting, the Committee is empowered to permit other persons such as external consultants to attend the meeting if deemed appropriate.

Roles and Responsibilities of the Remuneration and Nominating Committee

1. In case of a Directorship vacancy, the Committee shall propose persons, who 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 for reporting to the Board of Directors.
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. The compensation should be in accordance with policy set by the Board of Directors by considering his/her performance in relation to the Company's operating performance. Any change in the remuneration from the existing shareholder's approval must be proposed through the Board of directors to the shareholders for consideration.
5. Others matters related to its duties that required by the Board of Directors.

Meeting Attendance of Each Director for the year 2009

Name	Number of Attendance		
	Board of Directors	Audit Committee	Remuneration and Nominating Committee
1. Mr. Dhanin Chearavanont	8/12		
2. Pol. Gen. Pow Sarasin	12/12	12/12	1/1
3. Mr. Prasert Poongkumarn	10/12		N/A ⁽¹⁾
4. Mr. Min Tieanworn	12/12		
5. Mr. Chingchai Lohawatanakul	12/12		
6. Mr. Arsa Sarasin	10/12	10/12	1/1
7. Professor Dr. Athasit Vejajiva	11/12	11/12	
8. Mr. Thanong Termpongpan ⁽²⁾	3/3	3/4	
9. Emeritus Professor Supapun Ruttanaporn ⁽³⁾			
10. Mr. Phongthep Chiaravanont	8/12		
11. Dr. Veeravat Kanchanadul	12/12		
12. Mr. Adirek Sripratak	11/12		1/1 ⁽¹⁾
13. Mr. Pong Visedpaitoon	12/12		
14. Mr. Sunthorn Arunanondchai	10/12		
15. Mrs. Arunee Watcharananan	12/12		

Remarks: ⁽¹⁾ The Board of Director's meeting No. 3/2552 held on March 18, 2009 appointed Mr. Prasert Poongkuman to be a member of Remuneration and Nomination Committee in replacement of Mr. Adirek Sripratak.

⁽²⁾ Resigned from the position upon expiration of his term, effective on April 22, 2009.

⁽³⁾ Appointed at the Annual General Meeting of Shareholders No. 1/2009 held on April 22, 2009 in replacement of Mr. Thanong Termpongpan.

Orientation of a New Director

The Company shall arrange for its newly appointed director to attend the program of the Thai Institute of Directors Association to familiarize the new director on the following:

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, the Securities and Exchange Commission, and the Corporate Governance Policy.

Executive Committee

The Board of Directors appoints the Executive Committee by considering persons with qualifications, knowledge, competency and experience related to the Company's business to assist the Board of Directors with efficient and effective management of operations according to the Company's policies and objectives laid down by the Board of Directors. As of March 1, 2010, CPF's Executive Committee consists of the following members:

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

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

Primary Responsibilities of the Executive Committee Include:

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

Executives

As of March 1, 2010, CPF management comprises the following:

Name	Position
1. Mr. Adirek Sripratak	President, Chief Executive Officer (CEO) and Acting 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 and Development Unit
8. Mr. Prajit Udnoon	Executive Vice President, Poultry Research and Development Unit
9. Mr. Somkuan Choowatanapakorn	Executive Vice President, Swine Research and Development Unit
10. Dr. Sommai Tachasirinugune	Executive Vice President, Aquatic Food Processing Unit
11. Mr. Pisit Ohmpornnuwat	Executive Vice President, Foods Trading Unit
12. Mr. Sukhawat Dansermasuk	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 Chirakitcharern	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 to achieve the Company's objectives and goals set by the Board of Directors. He is responsible for proper governance of the Company with fairness to achieve maximum benefits for all stakeholders. He is to oversee the disclosure of the Company's general and financial information according to best practices. In addition, the President has authority in carrying out any duties according to the Company's normal operation. However, the President does not have authority in the following matters which outline "the limitation of the President's authority."

1. To enter into connected transactions which do not comply with the principle approved by the Board of Directors or the Notification of the Capital Market Supervisory Board and such matters need to obtain approval from the Board of Directors or the Company's shareholders.
2. To sell or write off any assets from the accounting book as prescribed in the Company financial principle must be approved by the Board of Directors or the Company's shareholders.

3. To enter into transaction with any person to provide or accept financial assistance such as lending money, guaranteeing, providing assets as collateral including other similar acts except:
 - 3.1 the short-term loans between the Company and subsidiaries in which the Company directly or indirectly holds at least 90 percent shares.
 - 3.2 the short-term loans between subsidiaries in which there is no connected party of the Company holding in excess of 10 percent shares of such subsidiaries.
4. To approve annual budget or additional new investment project during the year in which the value of the project is more than THB 100 million.
5. To acquire or dispose of investment in equity or debt instruments of any company as prescribed in the Company's financial principle must be approved by the Board of Directors or the Company's shareholders.
6. Any matters as prescribed by the laws or the Article of Association must be approved by the Board of Directors or the shareholders' meeting.

Selection of Executive

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 Executive

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 in relation to the Company's operating performance as well as in comparison to the industry average.

Remuneration for the Board of Directors

Monetary remuneration in 2009 of the Board of Directors was THB 25.13 million in accordance with the approval of the shareholders at the Annual General Shareholders' Meeting No.1/2009 held on April 22, 2009. In addition, some directors also received remuneration as being directors of subsidiaries at the total amount of THB 0.46 million.

Monetary remuneration of the Audit Committee was THB 7.63 million. The details of remuneration of directors in the Company and its subsidiaries as well as Audit Committee during 2009 can be illustrated as follows:

Name	CPF		Subsidiaries
	Directors	Audit Committee	Directors
1. Mr. Dhanin Chearavanont	2,800,000	-	-
2. Pol. Gen. Pow Sarasin	3,500,000	3,500,000	-
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	1,400,000	-
7. Professor Dr. Athasit Vejajiva	1,400,000	1,400,000	-
8. Mr. Thanong Termpongpan ⁽¹⁾	400,000	400,000	-
9. Emeritus Professor Supapun Ruttanaporn ⁽²⁾	933,333	933,333	-
10. Mr. Phongthep Chiaravanont	1,400,000	-	-
11. Dr. Veeravat Kanchanadul	1,400,000	-	-
12. Mr. Adirek Sripatak	1,400,000	-	270,000
13. Mr. Pong Visedpaitoon	1,400,000	-	30,000
14. Mr. Sunthorn Arunanondchai	1,400,000	-	-
15. Mrs. Arunee Watcharananan	1,400,000	-	160,000

Remarks: ⁽¹⁾ Resigned from the position upon the expiration of his term on April 22, 2009.

⁽²⁾ Appointed at the Annual General Shareholders' Meeting No. 1/2009 on April 22, 2009 in replacement of Mr. Thanong Termpongpan who resigned from the position upon the expiration of his term.

Other Remuneration None

Remuneration for the Executives

Monetary Remuneration in 2009, including monthly salary, bonus and other benefits for 17 executives of CPF amounted to THB 176 million.

Other Remuneration None

Brief profile of Directors and Executives



Mr. Dhanin Chearavanont – 70 years of age

- Chairman of the Board of Directors

Education

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

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, CP All Plc.
- Chairman, True Corporation Plc.
- Honorary Chairman, TrueMove Co., Ltd.
- Honorary Chairman and Independent Director, Siam Makro Plc.
- Director, Bangkok Inter Teletech Plc.



Pol.Gen. Pow Sarasin – 80 years of age

- Vice Chairman, Independent Director
- Chairman of the Audit Committee and
- Chairman of the Remuneration and Nominating Committee

Education

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

% shareholding in the Company as of December 31, 2009

- 1,080,000 shares, equivalent to 0.0144% (increased by 200,000 shares since December 31, 2008)

Family relations with other executives

- Elder brother of Mr. Arsa Sarasin

Work Experience for the past 5 years

- Vice Chairman, Kasikornbank Plc.
- Chairman, Mitsubishi Elevator Asia Co., Ltd.
- Chairman, Quality House Plc.



Mr. Prasert Poongkumarn - 73 years of age

- Vice Chairman and
a member of the Remuneration and Nominating Committee

Education

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

% shareholding in the Company as of December 31, 2009

- 1,335,983 shares, equivalent to 0.0178%
(decreased by 473,300 shares since December 31, 2008)

Family relations with other executives

- Brother-in-Law of Mr. Phongthep Chiaravanont

Positions in the Company's subsidiaries

- Director, Charoen Pokphand Enterprise (Taiwan) Co., Ltd.
- Director, Charoen Pokphand (India) Private Ltd.
- Director, C.P. Food Trading Co., Ltd.

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 - 73 years of age

- Vice Chairman

Education

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

Positions in the Company's subsidiaries

- Director, CPF Investment Ltd.

Work Experience for the past 5 years

- Director, Charoen Pokphand Group Co., Ltd.



Mr. Chingchai Lohawatanakul – 70 years of age

- Vice Chairman and
Chairman of the Executive Committee

Education

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

% shareholding in the Company as of December 31, 2009

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

Positions in the Company's subsidiaries

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

Work Experience for the past 5 years

- Director, Charoen Pokphand Group Co., Ltd.



Mr. Arsa Sarasin – 73 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,
Boston University, USA
- Enrollment in Directors Accreditation Program
No. 4/2003, the Thai Institute of Directors Association
- Enrollment in Audit Committee Program (ACP)
No.19/2007, the Thai Institute of Directors Association
- Enrollment in Finance for Non-Finance Director Program
(FND) No.39/2008, the Thai Institute of Directors Association

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, Padaeng Industry Plc.
- Chairman, Siam Makro Plc.
- Chairman, Thai Asia Pacific Brewery Co., Ltd.
- Chairman, Maesod Palang-ngarn Sa-ad Co., Ltd.
- Director, Siam Cement Plc.
- Director, Thai Pure Drinks Co., Ltd.
- Director, Thai Tapioca Development Institute
Foundation



Professor Dr. Athasit Vejajiva – 74 years of age

- Independent Director and a member of the Audit Committee

Education

- FRCP, the Physician's College of London, UK
- Honorary Doctorate in Internal Medical, Mahidol University and Rangsit University, Thailand
- Honorary Doctorate in Clinical Science, Mahidol University, Thailand

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

Work Experience for the past 5 years

- Honorary Doctorate, Mahidol University



Emeritus Professor Supapun Ruttanaporn – 65 years of age

- Independent Director and a member of the Audit Committee

Education

- Master of Business Administration (Accounting), Michigan State University, USA
- Bachelor degree in Accounting (Honor), Chulalongkorn University, Thailand
- Enrollment in Directors Certification Program No. 15/2002, the Thai Institute of Directors Association

Work Experience for the past 5 years

- Member of Etiquette Committee, Federation of Accounting Professions
- Member of Investigation Sub-committee, Federation of Accounting Professions
- Honorable Auditor, Som Dej Pra Thep Ratna Raj Suda Foundation
- Treasurer, Wat Yannasangwararam Foundation
- Chairperson of the Audit Committee, Delta Electronics (Thailand) Plc.
- Member of the Audit Committee, Glow Energy Plc.



Mr. Phongthep Chiaravanont – 59 years of age

- Director and Executive Director

Education

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

% shareholding in the Company as of December 31, 2009

- 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

- Chief Executive Officer, Charoen Pokphand (USA), Inc.

Work Experience for the past 5 years

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



Dr. Veeravat Kanchanadul – 71 years of age

- Director

Education

- Doctorate in Business Administration, University of Illinois, USA
- Enrollment in Chairman Program 7/2002, the Thai Institute of Directors Association
- Enrollment in Directors Certification Program No.99/2008, the Thai Institute of Directors Association

% shareholding in the Company as of December 31, 2009

- 16,915,170 shares, equivalent to 0.2249%
(increased by 1,150,000 shares since December 31, 2008)

Positions in the Company's subsidiaries

- Director, CPF Investment Ltd.

Work Experience for the past 5 years

- Advisor, Association of Thai Listed Companies
- Senior Director, National Institute of Development Administration, Thailand
- Senior Director, Thammasat University Council
- Director, Program for Joint Doctorate in Business Administration (JDBA)



Mr. Adirek Sripratak - 63 years of age

- President, Chief Executive Officer, and
Acting Chief Operating Officer - Livestock Business

Education

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

% shareholding in the Company as of December 31, 2009

- 5,300,000 shares, equivalent to 0.0705%
(increased by 1,800,000 shares since December 31, 2008)

Family relations with other executives

- Elder brother of Mrs. Arunee Watcharananan

Positions in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Training Center Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, Bright Excel Investments Ltd.
- Director, Charoen Pokphand (India) Private Ltd.
- Director, Charoen Pokphand (Taiwan) Investments Ltd.
- Director, Coinaton Investment Ltd.
- Director, CPF Investment Ltd.
- Director, C.P. Laos Co., Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.

Work Experience for the past 5 years

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



Mr. Pong Visedpaitoon - 64 years of age

- Director, Executive Director and Chief Operating Officer - Aquaculture Business

Education

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

% shareholding in the Company as of December 31, 2009

- 6,500,000 shares, equivalent to 0.0864% (all shares bought in year 2009)

Position in the Company's subsidiaries

- 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. Sunthorn Arunanondchai - 67 years of age

- Director

Education

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

% shareholding in the Company as of December 31, 2009

- 14,748,299 shares, equivalent to 0.1961%

Work Experience for the past 5 years

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



Mrs. Arunee Watcharananan - 61 years of age

- Director and Executive Director

Education

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

% shareholding in the Company as of December 31, 2009

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

Family relations with other executives

- Younger sister of Mr. Adirek Sripratak

Position in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Investment Ltd.

Work Experience for the past 5 years

- Vice President-Finance, Charoen Pokphand Group Co., Ltd.



Mr. Voravit Janthanakul - 63 years of age

- Executive Director and Executive Vice President, General Administrative Unit

Education

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

Positions in the Company's subsidiaries

- Director, Bangkok Agro-Industrial 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 Trading Co., Ltd.
- Director, CPF Training Center Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, CPF Premium Foods Co., Ltd.
- Director, CPF Logistics Co., Ltd.
- Director, CPF IT Center Co., Ltd.
- Director, B.P. Food Products Co., Ltd.
- Director, Bangkok Farm Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.
- Director, Rajburi Foods Co., Ltd.
- Director, Universal Food and Marketing Co., Ltd.
- Director, International Pet Food Co., Ltd.



Mr. Teerasak Urunanon – 60 years of age

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

Education

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

% shareholding in the Company as of December 31, 2009

- 21,000 shares, equivalent to 0.0003%

Positions in the Company's subsidiaries

- Director, CPF Trading Co., Ltd.
- Director, CPF Food Products Co., Ltd.

Work Experience for the past 5 years

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



Mr. Vitit Pootanasap – 56 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
May 4, 2005, the Thai Institute of Directors Association

% shareholding in the Company as of December 31, 2009

- 12,100 shares, equivalent to 0.0002%

Positions in the Company's subsidiaries

- Director, Pokphand Aquatech Co., Ltd.



Mr. Virachai Ratanabanchuen – 60 years of age

- Executive Vice President,
Livestock Feed Unit

Education

- Bachelor degree in Accounting, 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, 2009

- 1,600,230 shares, equivalent to 0.0213%
(increased by 1,600,000 shares since December 31, 2008)

Positions in the Company's subsidiaries

- Director, Charoen Pokphand Northeastern Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, CPF Trading Co., Ltd.
- Director, C.P. Laos Co., Ltd.



Mr. Anek Boonnoon – 56 years of age

- Executive Vice President,
Regional Integration Unit

Education

- Bachelor degree in Agriculture
(Veterinary Sciences), Kasetsart University, Thailand

Positions in the Company's subsidiaries

- Director, Bangkok Agro-Industrial Products Plc.
- Director, Charoen Pokphand Northeastern Plc.

- Director, Charoen Pokphand Industry Co., Ltd.
- Director, C.P. Agro-Industry Co., Ltd.
- Director, CPF Trading Co., Ltd.
- Director, Rajburi Foods Co., Ltd.



DVM. Sujint Thammasart – 56 years of age

- Executive Vice President,
Aquatic Research & Development Unit

Education

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

Positions in the Company's subsidiaries

- Director, Seafoods Enterprise Co., Ltd.



Mr. Prajit Udnoon – 59 years of age

- Executive Vice President,
Poultry Research & Development Unit

Education

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

Position in the Company's Subsidiary

- Director, Bangkok Agro-Industrial Products Plc.



Mr. Somkuan Choowatanapakorn – 61 years of age

- Executive Vice President,
Swine Research & Development Unit

Education

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

% shareholding in the Company as of December 31, 2009

- 5,000,000 shares, equivalent to 0.0665%
(increased by 700,000 shares since December 31, 2008)

Positions in the Company's subsidiaries

- Director, Bangkok Agro-Industrial Products Plc.
- Director, Bangkok Food Products Co., Ltd.
- Director, B.P. Food Products Co., Ltd.



Dr. Sommai Tachasirinugune – 54 years of age

- Executive Vice President,
Aquatic Food Processing Business Unit

Education

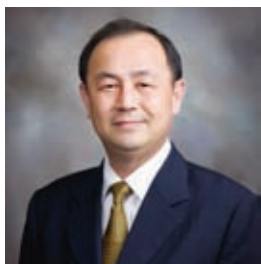
- Doctorate in Poultry Nutrition,
Oregon State University, USA

% shareholding in the Company as of December 31, 2009

- 1,400,050 shares, equivalent to 0.0186%
(increased by 1,180,000 shares since December 31, 2008)

Positions in the Company's subsidiaries

- Director, Glang Co., Ltd.
- Director, CPF Trading Co., Ltd.



Mr. Pisit Ohmpornnuwat – 55 years of age

- Executive Vice President,
Foods Trading Unit

Education

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

% shareholding in the Company as of December 31, 2009

- 292,000 shares, equivalent to 0.0039%
(increased by 206,300 shares since December 31, 2008)

Position in the Company's subsidiaries

- Director, C.P. Merchandising Co., Ltd.
- Director, C.P. Food Products, Inc.
- Director, CP Foods (UK) Ltd. and
38 CPF's subsidiaries in UK
- Director, CP Foods West, Inc.
- Director, CPF Denmark A/S
- Director, CPF Europe S.A.
- Director, CPF Tokyo Co., Ltd.



Mr. Sukhawat Dansermasuk - 59 years of age

- Executive Vice President,
Ready Meal Unit

Education

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

Position in the Company's subsidiaries

- Director, CP Food Products Co., Ltd.
- Director, CPF Food Products Co., Ltd.
- Director, CPF Premium Foods Co., Ltd.
- Director, International Pet Food Co., Ltd.



Mr. Praderm Chotsuparach - 60 years of age

- Executive Vice President,
Information Technology and Application Unit

Education

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

Positions in the Company's subsidiaries

- Director, CPF IT Center Co., Ltd.



Mr. Tinakorn Ruenthip - 59 years of age

- Executive Vice President,
Human Resources Unit

Education

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

Positions in the Company's subsidiaries

- Director, CPF Training Center Co., Ltd.



Mr. Paisan Chirakitcharern - 50 years of age

- Executive Director and Chief Financial Officer

Education

- Master of Business Administration, National Institute of Development Administration, Thailand
- Enrollment in Directors Certification Program No. 98/2008, the Thai Institute of Directors Association
- Enrollment in Directors Accreditation Program May 4, 2005, the Thai Institute of Directors Association
- Director, CPF IT Center Co., Ltd.
- Director, B.P. Food Products Co., Ltd.
- Director, Rajburi Foods Co., Ltd.
- Director, Bright Excel Investments Ltd.
- Director, Charoen Pokphand (Taiwan) Investment Ltd.
- Director, Coinaton Investments Ltd.
- Director, CP Foods (UK) Ltd. and 38 CPF's subsidiaries in UK

Positions in the Company's subsidiaries

- Director, Bangkok Agro-Industrial 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 Trading Co., Ltd.
- Director, CPF Logistics Co., Ltd.
- Director, CP Foods West, Inc.
- Director, CPF Denmark A/S
- Director, CPF Europe S.A.
- Director, CPF Tokyo Co., Ltd.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.



Miss Patchara Chartbunchachai - 51 years of age

- Executive Director and Company Secretary

Education

- Bachelor Degree in Accounting, Thammasat University, Thailand
- Enrollment in Directors Accreditation Program May 4, 2005, the Thai Institute of Directors Association
- Director, C.P. Agro-Industry Co., Ltd.
- Director, C.P. Merchandising Co., Ltd.
- Director, CPF Food Products Plc.
- Director, CPF Premium Foods Plc.
- Director, CPF Trading Co., Ltd.

% shareholding in the Company as of December 31, 2009

- 461,000 shares, equivalent to 0.0061%

Positions in the Company's subsidiaries

- Director, Bangkok Produce Merchandising Plc.
- Director, CPF IT Center Co., Ltd.
- Director, Pokphand Aquatech Co., Ltd.
- Director, Universal Food and Marketing Co., Ltd.

Personnel

As of December 31, 2009, employees and workers of CPF total 24,202 and are grouped according to business units as follows:

Business	Persons
1. Livestock Business	8,343
2. Aquaculture Business	15,859
TOTAL	24,202

Remuneration paid to our employees in 2009 totaled THB 5,577 million covering salary, wages, and other benefit.

Human Resources Management

CPF Way – Corporate Value

CPF Way is the fundamental corporate value and philosophy in conducting our business. It is the constant reminder that the approach in which we conduct business is just as important as the achievement and success. The corporate value unites our employees and differentiates us from the competitors. It is through this unison and joint efforts that would lead the Company to realize the vision of being “Kitchen of the World.” CPF Way as set includes:

1. Embrace Change
2. Master Learning & Sharing
3. Innovation
4. Integrity & Honesty
5. Result Oriented
6. Dedicate to Countries

Talent Management and Succession Planning

The Company firmly believes employees are an important part of our success and for making the Company a Food Company of Choice. As the Company depends on qualified, high caliber employees, the Company has to be the Employer of Choice.

To attract and retain young employees with potential to support the growth and expansion of our business, the Company has selection process to develop and nurture these young talents to become future leaders.

The Company recognizes the importance of having a succession plan, especially at the top management level, to ensure continuity when there is a vacancy or to support expansion of business. The succession plan is done from general management position level up to top management positions. In this plan, specific individual with suitable qualifications and potential will be identified and groomed to take on the position when it is vacated.

Company Codes of Conduct

The Company has set its core values and ethics which are the bases for the Board of Directors, executives and employees to follow. These standard operating procedures are based on fairness, integrity and honesty resulting in the success of the Company.

The Company Core Values and Expectations

1. The Company and all its employees attempt to do what is correct and righteous.
2. The Company and all its employees respect the individual right of colleagues, customers, shareholders and all stakeholders.
3. The Company and all its employees firmly believe that human resources are Company's most valuable asset.
4. The Company and all its employees attempt to be the leader in product development and provider of best services.
5. The Company and all its employees will be accountable for their actions.
6. The Company and all its employees will adhere to all relevant rules and regulations.

Human Resources Policy

1. Emphasis on leadership development to enable efficient and effective management function in the global corporate arena and to entice employees to devote their effort to achieving success. Moreover, it is to sow confidence in employees to perform their functions in an honest and transparent fashion which would lead to sustainable business, an important skill much needed in today's competitive environment.
2. Dedication to enhance specialization resulting in knowledge through research and share learning of experienced staff. This learning process from one generation to another, coupled with application of modern technology and knowledge management, accumulates up-to-date information and experience to promote quick, effective and efficient performances. CPF training center is the center for the development of corporate core competency to be in line with Company's business objectives.
3. Dedication to the sustainable achievement of grooming leader of the next generation to manage business growth and fill vacated positions of the succession plan. Screening process will be both from within and outside of the organization. Selected candidates will be trained and developed in a frog-leaped pace.
4. Promoting advancement of personnel through continuous development via e-learning and web-based learning. This is an equal opportunity for all employees to learn and improve their skill and knowledge.



Corporate Governance

Right of Shareholders

The Board of Directors fully realizes the importance of good corporate governance and unanimously agrees that this would increase the Company's competitive capability and management efficiency, which would give added value to the Company and benefit its shareholders in the long run. Corporate governance will ensure the Company management is carried out with honesty in accordance with the Company objectives and the shareholders' resolution and will focus on the best interests of the Company and shareholders. On December 17, 2008, the first Amendment of the Corporate Governance Policy was approved. The principle of this Corporate Governance Policy reflects corporate values in strict compliance with the key characteristics of good corporate governance and provides guidelines for the management and staff members to conform with good corporate governance practices and maintain the right of shareholders as a fundamental right under the law.

In addition to the fundamental right of Shareholders under the law, the Company provides pertinent information to the shareholders in a timely manner in order to support their effective decision-making. Apart from the disclosure of information under the Regulations of the Stock Exchange of Thailand, the Company disseminates information through its website.

The Company also gives equitable treatment to all shareholders. During the Annual General Shareholders' Meeting, in order to facilitate attendance, even shareholders who show up late will be allowed to attend and participate in the meeting. All the shareholders attending the meeting will be given opportunity to reasonably and sufficiently give comments or raise questions. It is the Company policy to have the directors and the top executives attend the Shareholders' meetings in order to reply to the questions raised by the shareholders at the Meeting. At the Annual General Shareholders' Meeting of the year 2009, the meeting was conducted in accordance with the agenda items outlined and delivered to the Shareholders along with the meeting notice, without any change or additional agenda items.

In 2009, the Company posted the information regarding the Annual General Shareholders' Meeting on its website one month prior to the meeting date and such information was the same as that delivered, along with the meeting notice, to the shareholders 14 days before the meeting date. The meeting notice contained the following information: meeting agenda, rationale and opinion of the directors for the proposed agenda, date, time and venue of meeting, and procedures and documents required for registration for the meeting.

With regard to the agenda items proposed for the shareholders' consideration, the Company provided sufficient information on each agenda item in order to accommodate the shareholders in making a decision for voting. In 2009, the Company informed the shareholders, by including this in the meeting notice, of the channels by which questions in relation to the agenda items to be raised during the Annual General meeting of Shareholders would be submitted to the Board of Directors prior to the meeting date so that the Board of Directors could consider such questions and give complete clarification to the Meeting.

The Annual General Meeting of Shareholders for the year 2009 was held at C.P. Tower Building, Silom Road, Khet Bangrak, Bangkok. To facilitate the attendance of the shareholders, the Company provided snacks and beverage to the shareholders at the registration area prior to the commencement of the meeting. In order to minimize the time consumed for registration of attendance, the Company applied the bar-code system for registration and arranged adequate personnel to check the documentation of each attending shareholder.

Prior to the commencement of the Annual General Meeting of Shareholders for the year 2009, the Company made an announcement on the rules to be used in conducting the meeting, including the voting procedures and methods. In such meeting, there were directors and top executives in numbering 17 persons attending, including the President, Chairman of the Audit Committee, Chairman of the Remuneration and Nominating Committee, Chief Operating Officer and Chief Financial Officer.

As the Chairman and Vice Chairman of the Board of Directors could not attend the meeting, the Honorary Chairman, Chairman of the Audit Committee and Independent Director was appointed to chair the meeting. The shareholders were given opportunities to voice their opinion or ask questions on all issues listed on the meeting agenda, and to elect the directors, individually, to replace the directors retiring on rotation according to the relevant agenda item. With regard to the voting procedure, ballots were used in the cases where shareholders voted against or wished to abstain from voting. During the Meeting, the Chairman of the Meeting provided information and reason to support the decision-making on the proposed agenda items and informed the Meeting of the vote cast for the resolution of each agenda item.

The Minutes of the meeting were recorded and reported. They consisted of two main sections: the first section included general information of the Meeting such as the name list of directors and top executives attending the meeting, the total number and voting rights of the attending shareholders at the commencement and the closing of the meeting and the voting and ballot procedures, and the second section included the information on the agenda items proposed for the shareholders' consideration as notified in the meeting notice such as the

summary of each meeting agenda item, the summary of the questions raised by shareholders and the explanation given by the management on each agenda item (if any). The voting results were recorded with the total number of votes “for,” “against,” and “abstained.”

The Minutes of the Meeting were submitted to the Stock Exchange of Thailand within 14 days from the Meeting date, and published for the shareholders on the Company website.

Equitable Treatment of Shareholders

With regard to sale and purchase of Company shares, the Company instituted rules and regulations in order to protect the internal information from potential abuse, to ensure transparency and to prevent the misuse of undisclosed internal information by directors, executives and employees of the Company. Under the Rules, Requirements and Procedures on the sale and purchase of Company shares, the Company’s directors, executives and all of the employees of Company Secretary Office and Investors Relations Office shall prepare and submit the report on the shareholding and any sales or purchase of shares held to the Company Secretariat for further submission to the Securities and Exchange Commission, as the case may be, within the period of time prescribed in the relevant laws and regulations. In this regard, the Company Secretariat is assigned to report the changes of shareholding of the directors and executives to the Board of Directors quarterly. In addition, the Company continuously provided information on the rules and regulations of the Company’s internal information to the directors, executives and employees at each level for awareness of their duties and responsibilities under such rules and regulations.

The Board of Directors closely guards its business operation in order to avoid conflicts of interest by setting up committees and sub-committees in accordance with good corporate governance and encouraging employees at each level to honestly perform their duties and to abide by the business ethics. In the case that any director has a conflict of interest in respect of any agenda item of the Board of Directors’ meeting, such directors shall not be allowed to participate in the consideration or decision-making on such agenda item. In the supervision of entering into transactions with the connected persons, the Board of Directors approved in principle transactions, which are normal business transactions or supporting normal business transactions thereof under general commercial conditions, made between the Company or its subsidiaries and the directors, executives or connected persons of the Company or its subsidiaries, while other transactions shall be made in accordance with the requirements notified by the Committee of Capital Market Supervision.

Additionally, in order to provide the equitable treatment of each shareholder, the Company takes the following actions while holding a shareholders’ meeting:

- Give opportunities for the shareholders to propose matters to be included in the Meeting agenda and to nominate qualified persons for the election of directors, as well as to submit the relevant questions on the agenda items prior to the meeting date. In this regard, the Board of Directors has regulated the requirements of submission, including the channel and schedule for submission, which has been posted on the Company website;
- Provide a proxy form in which the shareholders can give comments on their votes and authorize either the Chairman of the Audit Committee and/or a member of the Audit Committee as their proxy in the case where the shareholders cannot attend the meeting in person. The proxy form and relevant documents shall be submitted through the Company Secretary Office;
- Prevent the addition of agenda items without prior notice being given by the shareholders who are the Company executives.

Roles of Stakeholders

The Company has the policy to serve all stakeholders, including shareholders, suppliers and service providers and customers on the basis of honesty, fairness and transparency. The Company will not seek any personal profit which may cause conflict with the Company's or the stakeholders' interest, nor divulge confidential information on business relations with the stakeholders. The Company has taken the following measures in to better serve its stakeholders:

- Provide indemnification to the stakeholders who sustain damage from violation by the Company, as prescribed by the law of the stakeholders;
- Provide channels to receive indications or complaints in respect of violation of law or ethics through independent directors or the members of Audit Committee; and
- Give direction for necessary actions to be taken after an indication has been received, by assigning internal investigation and reporting the outcome to the Board of Directors.

In order to ensure that fair treatment is provided for each group of stakeholders in accordance with their rights and agreements made with the Company, the Board of Directors has prescribed the Code of Conduct in dealing with each group of stakeholders as follows:

- Shareholders:**
- Organize the efficient nomination process in order to recruit qualified persons to be appointed as Company directors and assign the Remuneration and Nominating Committee to be responsible for this process; and
 - Disclose the Company financial information and other matters in a sufficient, transparent and reliable manner and set up an Investor Relations Office to be a channel of communication between the shareholders and the Company and a source of data for the Company business.

Employees:

- Establish a human resource management policy on the basis of good supervision and management, fair and gentle treatment and creating opportunities to employees at each level and appropriate reward. In addition, the CEO Website has been created as a channel of communications for the CEO to disseminate Company policy, vision and objectives to the employees, and to receive comments, suggestions or grievances of employees to be brought directly to the attention of the CEO for timely investigation. The names of employees who submit such information will be kept confidential;
- Establish a program for employees' health and safety and provide medical welfare and insurance against accidents for employees;
- Respect the employees' right of privacy and keep the employees' personal data confidential;
- Provide training to improve the employees' skill and performance;
- Provide a reasonable remuneration and welfare system which is compatible with that of other domestic entrepreneurs in the same industry;
- Regulate the Code of Ethics for Employees which includes the prohibition of receiving bribes or other incentives in violation of the law or the Company's Rules and Regulations, or waive any indecent business requirement, and regulate the Code of Conduct for executives and employees in order to comply with the Company's values, ethics and accountabilities for Company stakeholders, so as to standardize the performance of executives and employees on the basis of integrity. The Code of Conduct and the Code of Ethics will be published for the executives and employees for compliance and their compliance will be regularly monitored.

Customers

- Set up a system to monitor and control the process of production or product supply in order to supply quality merchandise to customers, and regularly update the technology of production and quality control;
- Set up a system to control the strict, honest and regular compliance under the agreements made with customers;
- Set up a system to control the maintenance of customer's confidential information, as if it were the Company confidential information; and
- Set up a Call Center in order to receive comments and complaints in respect of the Company merchandise. Complaints will be sent to the respective department for verification and correction as soon as possible.

- Traders**
 - Set up the rule of fair and equitable treatment for all traders in business operation;
 - Set up regulations on procurement by selecting the sellers, parties or counsel on the basis of maximum benefit to the Company and fair, unbiased and transparent recruitment. The Employees shall be prohibited from receiving any benefits from recruited traders; and
 - Set up a system to monitor and prevent the disclosure or abuse of traders' confidential information.
- Trade Competitors**
 - Operate the business under the rules and ethics; and
 - Set up a system to monitor and prevent the unlawful acquisition or abuse of trade competitors' confidential information.
- Creditors**
 - Set up a system to monitor and control strict compliance under the obligations to creditors with the awareness of the Company's reputation.
- Community and Society**
 - Have a strong intention, as an organization which is accountable to local, national and international society, to create activities which benefit the development of the communities and societies;
 - Have strong intention to take necessary measures to protect the environment and reduce pollution which deteriorates the environment;
 - Give priority to political activities and political participation, and to recognize the political right and freedom of the employees as their private right, but refrain from giving any political support under the Company's name; and
 - Set up a Safety, Health and Environment (SHE) Committee to be responsible for all relevant activities.

Information Disclosure and Transparency

In order to ensure that the Company's material information shall be disclosed completely, transparently and in a timely manner, the Board of Directors is required to undertake the following measures:

- Disseminate the report on the policies of good corporate governance and environment and social protection, as well as the outcome of compliance under such policies through various channels such as the Company's annual report or website;
- Prepare and report the Company's financial and general information to the shareholders and general investors accurately and completely. The report on the Board of Directors' accountability, the financial report and the auditor's report shall be included therein;
- Disclose the roles and duties of the Board of Directors and those of sub-committees, the number of the Board of Directors' meetings and the number of the attendance record of each director in the preceding year as well as their opinions on the performance;

- Disclose the policy of remuneration for directors and executives according to their individual duties and responsibilities. Such disclosure shall include the remuneration obtained by each director as a director of the Company's subsidiaries;
- Disclose the Company's material information, both financial and non-financial, accurately, completely, timely, transparently and in accordance with the requirements notified by the relevant authorities;
- Set up an Investors Relations Office to disseminate the Company's financial information and general information to the shareholders, financial analysts, investors and other Company's stakeholders and to be a channel of communications for the shareholders and investors. This Office was established in 1999 and functions under the direct supervision of the Chief Executive Officer. One of the activities of this unit is to organize annual meetings with financial analysts, and domestic and foreign investors. In the past years, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and other top executives participated in these meetings; and
- Disclose the Company's information through the Company's website, which is available in both Thai and English version in addition to disclosure through the Office of the SEC, or the Stock Exchange of Thailand. This website is also linked to the website of the Stock Exchange of Thailand.

Responsibilities of the Board of Directors

As of March 1, 2010, the Board of Directors consisted of 14 members which included 4 independent directors, 5 executive directors and 5 non-executive directors. The Chairman of the Board of Directors and the President were two separate persons.

In order to ensure that the structure of the Board of Directors is compatible with the Company's business operation, as well as to illustrate the framework, duties and responsibilities of the Board of Directors which will enhance the efficiency of the Board of Directors performance, the Board therefore set up the following requirements:

Structure of the Board of Directors

- Composition of the Board of Directors

The Board of Directors shall consist of at least 5 directors. In the Annual General Shareholders' Meeting of the year 2010, at least one-third of all members of the Board of

Directors, but not less than 3 members, shall be independent directors. In addition, the Chairman of the Board of Directors shall not hold the office of Chairman or member of any sub-committees, and shall be a separate person from the President.

As of March 1, 2010, the Board of Directors consisted of 14 members, and 4 of them were independent directors. On February 19, 2010, the Board of Directors' meeting passed the resolution to propose the qualified candidate who has qualifications according to the Notification of the Capital Market Supervisory Board No. Tor Chor 4/2552 as a new independent director in adding to the Annual General Shareholders' Meeting No.1/2010 for the appointment. Upon the appointment, the Board shall consist of 5 independent directors of total 15 directors or one-third of all the members of the Board of Directors.

- Qualifications

Every director has experience in his respective field, which will be beneficial to the operation of the Company. Each director shall possess good understanding of business obstacles and have the abilities to solve problems and create a competitive advantage as well as provide insight in handling important risks. All the directors' qualifications shall meet the criteria set forth by the law governing public limited companies, the law governing securities and exchange and the notifications of the authorities supervising companies, and no director shall possess any disqualification as prescribed therein. In the case of independent director, such director shall be qualified under the notifications set forth by the Committee of Capital Market Supervision.

Upon joining the Board, each director is provided important information on the Company, the rules and regulations specifying the roles and responsibility of the Board of Directors, laws, regulations, and conditions of being a director of a listed company and a thorough briefing and tour to observe the Company's various businesses and operations.

In the case that any director holds the office of director or executive in another company which is not a Company subsidiary or associate, such director shall report the holding of such office to the Company.

- Term of Directorship

At each Annual General Shareholders' Meeting, one-third of all directors who have held the longest term in office shall retire. If the Board cannot be divided into 3 groups, the nearest number to one-third of all directors shall retire from office. A retiring director can be re-elected to the Board under the approval of the Shareholders Meeting. The term of each director is 3 years. In the case that the office of director is vacated for any reason other than retirement on rotation, it is required that the Board of Directors shall elect a qualified person according to the laws to fill the office, except if the remaining term of such directorship is less than two months.

Such newly elected director shall hold the office only for the remaining term of the replaced directorship. However, the appointment of such director must be approved by the votes cast of at least three-fourth of the number of the remaining directors.

- Supervision

The Board of Directors has the duty to supervise the performance of the operation of the Company in accordance with the Company's objectives, strategy and the operational plan approved by the Board of Directors, in order to benefit the best interest of the Company and all stakeholders. The Board of Directors will assign the authority, duties and responsibilities of routine managerial tasks to the President and this assignment shall be clearly separated from the authority and duties of the Chairman of the Board of Directors. The Board of Directors may appoint various sub-committees to supervise specific areas of operation, and employ experts or advisors from outside in order to provide opinion or advice in respect of the Company business operations, as it is deemed appropriate, at the Company's expense.

In the case that the President or any top executive holds the office of director in any company other than that as assigned by the Company, such officer shall report the holding of such office to the Company.

Duties and Responsibilities of the Board of Directors

(Details of which are shown in the Duties and Responsibilities of the Board of Directors under "Management" section on page 54)

Board of Directors' Meeting

- The Board of Directors Meetings are scheduled to be held at least once a month and the meeting dates shall be scheduled in advance annually. However, if it is deemed necessary, the meeting dates can be rescheduled. Each director will be notified of the meeting schedules and has the duty to attend every meeting. In the case of inability to attend any meeting, such director shall give notice and reason of the absence to the Company Secretary prior to such meeting and the Company Secretary shall deliver the minutes of such meeting to the absent director.
- The President, together with the Chief Finance Officer and the Company Secretary, will review the matters to be included in the agenda of the Board of Directors Meeting prior to the submission of the agenda items to the Chairman of the Board of Directors for approval. Each director is entitled to propose the matters to be included in the Meeting agenda.

- The Company Secretary will prepare and deliver the relevant information required for the Board of Directors Meeting along with the meeting notice to each director no less than seven days prior to the meeting date for review and consideration.
- At any Board of Directors meeting, the executive(s) who is directly responsible for the issues to be raised in the Board of Directors' meeting will be invited to attend and present a report in respect of such issues. Every director is given an opportunity to discuss, share opinions and make an independent decision on the subject matter. Additional information may be requested from the Company Secretary or advice may be requested from independent consultants as it is deemed appropriate.
- In the case that any director has a conflict of interest on an agenda item raised for consideration, such director shall immediately inform the Board of Directors of such conflict of interest, and will not participate in the decision making of that agenda item.
- The non-executive directors may hold meetings in order to discuss the matters among themselves, as it is deemed appropriate for the Company's management, without the attendance of the management. The minutes of such meetings shall be submitted to the Board of Directors meeting for acknowledgement.

Evaluation of the Board of Directors Performance

- The Remuneration and Nominating Committee will evaluate the Board of Directors' performance annually and report the evaluation results to the Board of Directors.
- The Board of Directors will conduct a self assessment at least once a year and the Chairman of the Board of Directors will be responsible for this evaluation.

Directors' Remuneration

- The policy and requirement of directors' remuneration is set out by the Board of Directors, based on performance in the same industry, experience, duties, roles and responsibilities and potential benefits gained from each director. The directors who are assigned additional tasks shall be entitled to a raise of remuneration as it is deemed appropriate.
- The Remuneration and Nominating Committee will annually consider and propose the determination of director's remuneration to the Board of Directors for further approval from the Shareholders' Meeting.

Internal Control

At the Board of Directors' meeting No.2/2010 held on February 19, 2010, the Audit Committee, comprising of 4 independent directors, was present to review the Company's internal control system. From questioning the information and data gathered and reported by management, it can be concluded that the existing internal control system is appropriate and sufficient to protect assets of the Company from being misused or used by unauthorized person and sufficient to help reduce the Company's business risk effectively. In addition, the internal auditors reviewed on various operations of the Company to ensure the compliance with the Company's internal control system. The major non-compliance, if any, was reported to the Executive Board and the Audit Committee for review and correction. However, in 2009 no major non-compliance that would affect the operation of the Company was found and the external auditor also did not indicate any significant non-compliance found.

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, 2009, or 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, consisting of 4 independent directors; namely Pol. Gen. Pow Sarasin as the Chairman, Mr. Arsa Sarasin, Professor Dr. Athasit Vejjajiva, together with Emeritus Professor Supapun Ruttanaporn as members of the Audit Committee. The Board of Directors appointed Emeritus Professor Supapun Ruttanaporn for a member of the Audit Committee in a replacement of Mr. Thanong Termpangpun who was in the position until April 22, 2009.

During the year 2009, the activities under duties and responsibilities assigned by the Board of Directors can be summarized as follows:

- Review quarterly and annual financial statements, which include assessing the compliance to the accounting principles used, the accounting policies adopted, as well as the information disclosed in the financial statements.
- Review transactions and disclosure of information during the year on the connected transactions, as well as those transactions which may cause conflicts of interest in 2009.
- Review the independence of the Internal Audit Office and review the results conducted by the Internal Audit Office during the year, as well as review the sufficiency and suitability of the internal control system.
- Review compliance with the Securities and Exchange law, the Stock Exchange's regulation, and the laws relating to the Company's business.
- 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.

According to such review, the Audit Committee is of the opinion that the Company has established and maintained a suitable and effective internal control system in order to provide a reasonable assurance that financial statements are reliable and correctly prepared in significant matters. In addition, the entering into the normal course of business or supporting normal course of business transactions which may cause the conflict of interests was reasonable and was conducted on arm's length basis. Other transactions which may cause the conflict of interests

were conducted with compliance with the rules and regulations of Capital Market Supervisory Board and guidelines approved by the Board. There was no significant non-compliance with law found. On duty, the Audit Committee is able to perform its assignment independently.

The meetings of the Committee have been constituted 12 times, in which Pol. Gen. Pow Sarasin attended 12 times, Mr. Arsa Sarasin attended 10 times, Professor Dr. Athasit Vejajiva attended 11 times, Mr. Thanong Termpongpan (who was in the position until April 22, 2009) attended 3 times from total meeting 4 times and Emeritus Professor Supapun Ruttanaporn (appointed on April 22, 2009) attended 8 times from total meeting 8 times.

Furthermore, the Committee has assessed the independence and performance of external auditor and agrees to propose the Board of Directors to call for the shareholders' approval to appoint Mr. Charoen Phosamritlert, Mr. Vairoj Jindamaneejitak and Ms. Bongkot Amsageam of KPMG Phoomchai Audit Limited to be the external auditors of the Company for the year 2010, with the remuneration of THB 3,490,000 for auditing and reviewing of annual and quarterly separate financials statements and consolidated financial statements.

On behalf of the Audit Committee



Pol. Gen. Pow Sarasin

Chairman of the Audit Committee

February 19, 2010

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 via concerning the most benefit to the Company. 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 or a financial advisor prior to making recommendation to the Board for further consideration and approval. The Board of Directors had a resolution on the principle for entering into any transaction between the Company and a director, an executive or the related person of the Company for the normal course of business or the supporting a normal course of business transactions with the arm's length basis. However, for entering into other transactions must comply with the notification of the Capital Market Supervisory Board.

During the year 2009, the Company entered into transactions with related persons, as disclosed in Note 5. of the notes to financial statements as of December 31, 2009. The audit committee is of the opinion that these related transactions are reasonable and most of them are the normal course of business or supporting a normal course of business transactions conducted on arm's length basis. Related transactions can be summarized as follows:

- **Accounts Receivable**

As of December 31, 2009, the Company had accounts receivable arising from transactions with associated and related companies totaled THB 1,321 million, or 9% of total accounts receivable. *(2008: THB 1,562 million)*

- **Accounts Payable**

As of December 31, 2009, the Company had accounts payable arising from transactions with associated and related companies totaled THB 868 million, or 10% of total accounts payable. *(2008: THB 932 million)*

- **Sales**

During 2009, the Company sold products to associated and related companies based on normal price list. The value of these transactions ending December 31, 2009 was THB 6,738 million, or 4% of total sales. *(2008: THB 6,486 million)*

- **Purchase of Raw Materials**

During 2009, the Company purchased raw material from associated and related companies based on normal price list. The value of these transactions ending December 31, 2009 was THB 16,531 million, or 12% of total cost of sales. *(2008: THB 18,792 million)*

- **Other Income**

In 2009, the Company received other income from dividend, interest, gain on sales of fixed assets, training and seminar fees, system service fee, rental fees, service fees and others from associated and related companies, in the amount of THB 136 million, or 0.1% of total revenues. *(2008: THB 133 million)*

- **Rental and Services Fees**

The Company and certain subsidiaries have lease agreements covering office premises including facilities, land, livestock farm, and also have lease agreements covering vehicles with certain related companies for periods of 1 to 9 years, which will be ended in 2010 to 2017. The rental and services fees obligation of the CPF's group as of December 31, 2009 amounted to THB 1,437 million. *(2008: THB 1,119 million)*.

The Company rented assets from associated and related companies according to the rates set by the owners. The value of these transactions ending December 31, 2009 was THB 997 million, or 6% 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 THB 0.1 million to THB 1.3 million per month. The term of this agreement will be expired in 2010.

In addition, 2 foreign subsidiaries 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 subsidiaries' sales value of animal feed as stipulated in the agreement.

In 2009, the Company paid Charoen Pokphand Group Co., Ltd. for technical service concerning animal feed ingredients totaled THB 286 million, or 0.2% of total cost of sales. *(2008: THB 284 million)*

- **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, totaled THB 197 million, or 1% of the Company's total selling and administration expenses for the year ended December 31, 2009. The insurance premium rates were standards set by the insurers. *(2008: THB 206 million)*


- **Other Expenses**

In 2009, the Company had other expenses, which were software application service fee, sales promotion fee, transportation fee and others to related companies of THB 747 million *(2008: THB 554 million. (2008: THB 554 million).*

- **Others**

The Company and certain subsidiaries have hire-of-work agreements to construct buildings, structures and others, including equipment and others purchasing with certain related companies. During 2009, the payments in respect of these agreements have been made by the Group totaling THB 332 million. *(2008: THB 542 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 an obligation to pay a fee upon the sales under the trademarks. The agreement has a period of 5 years which will expire in 2012. The fees for the year ended December 31, 2009 totaled THB 30 million. *(2008: THB 30 million).*

In addition, the Group 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 December 31, 2009 totaled THB 32 million. *(2008: THB 33 million).*

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 THB 1,185 million. Union Growth paid the first installment to CPM as defined in the agreement amounting to USD 3.1 million on May 30, 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 rate 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 recognize 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 THB 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 recognized in the statement of income until receipt of the proceeds in full in October 2010. In this regard, CPM and Union Growth must comply with the conditions as defined in the above agreements.

In the second quarter of 2009, the Company purchased the ordinary shares of an indirect foreign subsidiary (Charoen Pokphand (India) Private Limited (“CPI”)) from the parent company (Charoen Pokphand Group Co., Ltd.) and a related company (Perfect Companion Group Co., Ltd.) totaling THB 357 million. As a result, the Company’s direct and indirect investments in CPI increase from 71.20% to 99.99% and had a negative goodwill of THB 7 million.



*Kitchen
of the World*

Corporate Social Responsibility



Business Philosophy

The Company appreciates the opportunity to be in business and is indebted to be given that opportunity. Considered as one of its duties, the Company, together with its employees and their families, joins in and supports activities that would benefit the community, society and country in which it operates.

Developing and producing products that meet consumers' needs and expectations is among one of the Company priorities. Sharing and transferring of modern farming technology to small independent farmers is another. All products, processing and farming methods also have to be in compliance with the rules and regulations of each market. Our qualified employees who are adept in their respective fields work towards achieving the aforementioned objectives to ensure growth and sustainability of the business and industry.

All social activities organized and managed by the Company are voluntary and truly for the benefits and betterment of the society. The Company does not expect any financial gains from these philanthropic activities which are conducted continually. In starting any social-related activities, the Company takes into consideration the effects they would have on the environment, communities, general public, employees, shareholders and stakeholders. Above all, our social activities have to be within the scope of good corporate governance which is the key to any long-term and lasting corporate social responsibility, affirming that CSR is a part of everyday of CPF.

Human Resources

Hiring Practices

The Company is committed to raise labor standard and quality of life for the employees by ensuring a safe work environment and fair treatment. To demonstrate our commitment for continual practice on social responsibility, the Company has implemented the following rules and regulations based on Thai Labor Standard 8001-2003.

1. The Company shall not employ forced labor nor support such activity in any which form. The Company shall not demand cash deposit nor withhold employee's personal identification except in cases allowed by law.
2. The Company shall pay wages and remuneration in Thai currency, no less than that is stipulated by law, and at employee's workplace. Wages of employee shall not be deducted nor withheld unless permitted by law.
3. The Company shall stipulate working hours that conform to law. Overtime work shall be compensated based on Thai Labor Standard 8001-2003 and labor law set.
4. The Company shall not support nor discriminate any individual based on nationality, race, religion, language, age, sex, marital status, sexual orientation, physical disability, labor union membership, choice of political party or personal ideas and opinion. The Company shall not bar nor intervene on activities relating to race, national traditions and customs, religion, personal expression on sexual orientation and membership in labor union or political party.
5. The Company shall not in any case deduct nor cut wages as a disciplinary action. The Company shall not employ corporal and / or mental punishment, threat and coercion. Preventive measures are set to protect female and juvenile employees from sexual harassment.
6. The Company shall not employ nor encourage employment of children under 15 years of age. The Company shall assign work that would not expose juvenile employees to health hazard.

7. The Company shall assign pregnant employees to work in a safe work environment. The Company shall not dismiss, demote, nor deduct fringe benefits of an employee due to pregnancy.
8. The Company respects employee's individual right to join labor union or become a director of the union and to participate in the negotiation process. The Company shall treat every employee fairly and without prejudice according to Thai Labor Standard 8001-2003.
9. The Company shall set up standard procedures with regards to safety, sanitation and work environment. All employees shall be briefed and trained on safety regulations. Appropriate protective gears for the different job functions are also provided.
10. The Company shall provide toilets, potable water, first aid facility, hygienic canteen and food storage area at employees' disposal.
11. The Company shall promote and encourage suppliers and contractors to abide by Thai Labor Standard 8001-2003.



Mr. Adirek Sripratak, President & CEO, of Charoen Pokphand Foods Plc. received the Most People-Focused CEO Award 2009 and the Company received an Award for Expertise in Human Resource Management (HR Professional) from the Human Resource Institute, Thammasat University.

Compensation and Benefits

Employees are the Company's most valuable asset and critical factor to its success. The Company is committed to foster core corporate values and to create friendly work environment and encourage teamwork. Employees are coached to be courteous and to respect each other's individual rights.

Recruitment, appointment, job rotation and relocation, and remuneration will be based on facts and qualifications and with fairness to the best use of human resources and benefits to the Company.

On Occupational Safety and Health, the Company is responsible to provide and ensure safe workplace for employees and their personal belongings and to fully comply and abide by all labor laws.

Moreover, the Company gives great importance in encouraging employees to demonstrate their knowledge and capability by participating in various social activities that would benefit the community and society in which the Company operates.

Job Creations and Occupations

The Company considers farmers our business partners who have grown with the Company and whom we share our know-how and technology. Through technology transfer, farmers can have job and livelihood that provide income and improve their living standard. This occupation enables farmers to be independent and provides stable long-term income that is sustainable.

The Company has initiated several "Contract Farming Projects." To date, more than 10,000 farmers have joined these projects which provide technology transfer and know-how on animal farming. The Company also has cooperative projects geared toward improving quality of life such as the Nong-Wah Agricultural Village in Chachoengsao, the Kamphangphet Agricultural village in Kamphangphet and the Police Family Project in Chonburi which aims to provide supplemental income to police family.

In conjunction with the Rural Life Development Foundation of Charoen Pokphand Group, the Company supports these royal-initiated projects - Combination of 7 Occupations and 7 Incomes Agriculture project in Buriram, the Huay Ong Kot Dam Project in Kanchanaburi, the Area Development Project in Tambon Pak Lor, Songkhla, and the Royal Cooperative Village Development Project.

In addition to agriculture-related CSR projects aforementioned, the Company promotes and creates job and career in franchise business for small operators and entrepreneurs through its Five Star Chicken Kiosks which has expanded to include the famous Hainan Chicken rice as well as other rice and noodle menus. In the near future, CPF is planning to launch another franchise for the society to own the CP Fresh Mart convenient store as well.



A sound career and steady income are fundamental factors to improve one's living standard and the betterment of the society.

Health and Nutrition

The Company strives to promote good health among consumers by providing nutritious food products processed in facilities that meet all international requirements as well as providing information on how to select healthy foods. To assist children in rural and remote areas to improve living standard, the Company has initiated the following projects.

- **Raising Chicken Layers for Students' Lunch Project**

This on-going project started some 20 years ago as a response to the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn to provide students with good nutrition food and the basic knowledge in chicken farming which could eventually become their future occupation. At present, the Company supports over 60,000 students in more than 300 schools with the plan to promote additional 30 schools each year.

- **Share Knowledge Project**

This project aims to provide students the understanding of food safety and production of food products under international food standard. More than 70,000 students from some 380 institutions nationwide have visited the Company's chicken processing plants as part of this Share Knowledge project.

- **Funding on Avian Influenza Research**

The Company continually grants funding to Chulalongkorn University and Kasetsart University in their research on avian influenza and its cure.

Energy and Environment Conservation

Energy and environment conservation has been a major concern of the Company for a long time. All our production processes aim to be environmental friendly. Projects the Company has undertaken include:

- (1) **Garbage in Exchange for CP Eggs Project** - The Company gave 750,000 chicken eggs to Klong Toey Community during the 20 month project to promote awareness on cleanliness and improve environment by reducing garbage volume.
- (2) **Replanting Mangrove and Reforestation Project** - The Company has been supporting activities of university students, shrimp farmers, and Office of Wetlands International in Thailand for more than 14 years.
- (3) **Shrimp Farming and Rice Farming Project** - The Company has successfully developed a shrimp farming system with effective prevention of salt water permeating into nearby rice paddy through its pilot farm in Bor Sang District, Prachinburi.
- (4) **The Mool River Conservation Project** - The Company has cooperated with the Provincial Fisheries Office in Nakhon Ratchasima and nearby communities on this project. The objective is to reduce water consumption by industrial factories and to restore conditions of the Mool River and its tributaries. The project also creates awareness and community participation in conserving the environment.
- (5) **Carbon Footprint Label Project** - CP Branded Teriyaki Chicken and Fresh Chicken are the world's first chicken products to have carbon footprint labels. The Company was selected to be a pilot company in research on reduction of CO₂ emission, a major cause of climate change or global warming. The Company aims to have carbon footprint labels on all of its product lines in the near future.

On energy conservation, the Company has adopted innovations from abroad to enhance work efficiency, reduce energy consumption and developing alternative energy to reduce environmental problems particularly air pollution. These energy conservation projects include:

- Co-generation Project

The Company was chosen by the Energy Conservation Fund of the Energy Ministry's Alternative Energy Development and Efficiency Department to lead pilot project on the country's first energy management company in Thailand. Besides lowering production cost, this co-generation project helps to reduce energy consumption and CO₂ emission and increase competitiveness domestically and overseas.

- Bio-gas Project

The Company is the pioneer in using bio-gas derived from animals waste in livestock farming to produce alternative energy. At the same time, this project helps to maintain the environment of the surrounding communities.

- From Waste to Energy Project (Bio-diesel Project)

The Company converts vegetable oil that had been used and left-over from food processing plants into bio-diesel to run small transporting vehicles. Besides reducing air pollution, the knowledge learnt could be used to develop alternative energy in the future.

Public Welfare

The Company deems it an important responsibility to support activities that are beneficial to the general public and to uphold the monarchy. With the nation-wide network, the Company can respond quickly to provide assistance and relief to victims of natural disasters. The Company supports various rural development projects initiated by university student clubs and participates in caravan of specially-priced CP products to help consumers cope with the rising cost of living. The Company also donates to different government agencies and non-profit organization in their charitable community activities.

Community Relations

The Company has factories located in all part of the country. Each factory operates under good manufacturing practices and is an active member of its surrounding communities. The factory is designed in such a way that the waste water treatment will not affect the environment nor create disturbances to the neighboring communities. Management and employees of these factories join in the various social community activities to foster camaraderie and cordial relationship.

Culture and Sports

The Company supports all types of cultural and sports activity as a mean to promote unity, national identity and pride. Some of the activities include support of Thai boxing competition and football team of the Royal Navy.



Safety, Health and Environment

1. Safety, health and environment management system

The Company is committed to sustainable business development and believes that in order to have a good, efficient and successful business, the Company needs to value its consumers, employees and stakeholders and especially the surrounding communities. The Company has systematically undertaken actions in support of social responsibility while continuously improving on environmental and social relations related operations. CPF's business operation is aligned with the nation's laws as well as international standards and regulations governing the business and industry.

In 2009, CPF Safety, Health and Environment Management System (SHE) was examined and verified by SGS (Thailand) Limited, which is an international certified body. Five units having been certified are :

1. Bangkok Food Products Co, Ltd. - Animal feedmill, Km. 21
2. CPF Food Products Co, Ltd. - Chicken processing plant, Minburi 1
3. Charoen Pokphand Foods Plc. - Broiler farm, Quey Chai 2
4. Charoen Pokphand Foods Plc. - Shrimp farm, Rayong 3
5. Charoen Pokphand Foods Plc. - Shrimp hatchery JR 2,3



Implementing the SHE Management System is a key strategy in driving the growth of CPF's business. The Company aims for every business unit to be international standard certified by 2012. The Company is working diligently to achieve the target of an accident-and-illness-free work operation while preventing and reducing the impact on environment while promoting good relations with the communities and society.

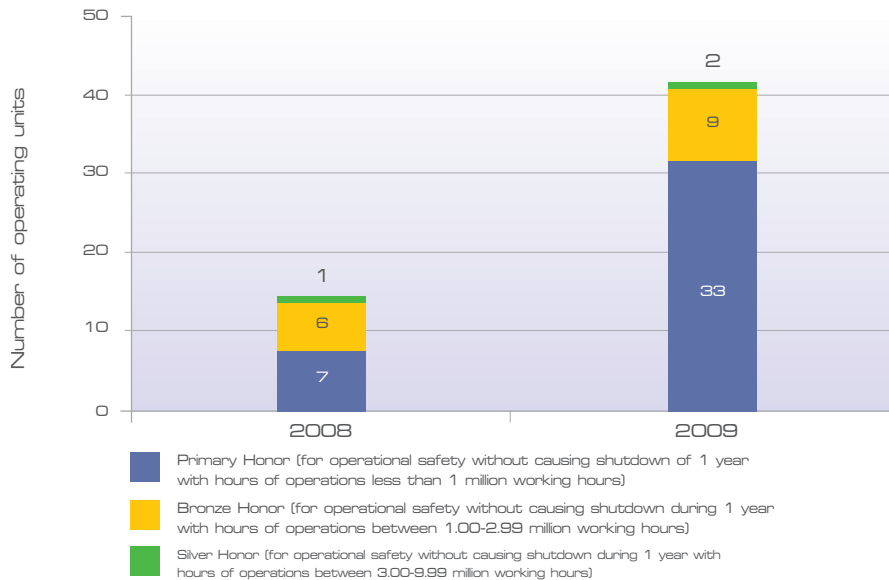
2. The results of the implementation of safety and health management system

The Company values the safety and health of employees and outsourced staff working for the Company. This starts from the recruitment process, providing training and knowledge of the related risks for each type of work, promoting awareness among staff about safety, health and environment, caring for their health while regularly and systematically assessing the risks. Implementation of these actions has consistently helped the Company to reduce accidents in the workplace while employees have good health.

2.1 Results from implementation of safety policies

The Company's deep commitment to having a high operating standard has led to zero accidents in the work place. An indication of this success is the increase in number of operating units that received Zero Accident Award.

The Award of Zero Accident from the Department of Labour Protection and Welfare, the Ministry of Labour



2.2 Results from implementation driving safety policy

The Board of Driving Safety Policy has improved the safety management system in order to allow participation from employees, senior management and drivers of vehicles in creating safety regulations. The Board has also developed a monitoring system or "Point System" on a daily basis to monitor the behavior of every driver of vehicles. This will help management to proactively reduce driving accidents.

2.3 Results from implementation of health policy

Being concerned about employees' health, the Company has set an industrial hygiene standard as a part of the Health and Environment Management System (CPF SHE Management System). Every operating unit is required to consider various risk factors that could lead to work-related illnesses or diseases.

The guidelines to prevent risks have been established. The Company also provides routine health check-up services for employees to prevent them from work-related illness and diseases with such information being kept systematically. Moreover, in 2010, the Company has also initiated an Ergonomics project.

3. Environment management

The Company focuses on preventive measures in order to preserve the environment and communities by setting up procedures to follow and assess environmental management of every unit. The tool is an online system that reports on environmental information through a website called CPF SHE Reporting System. The Safety, Health and Environment Office (CPF SHE Office) serves as a management and assessment centre in charge of the operating system where monthly assessment is conducted. This allows the Company to follow and assess environmental management results and make quick adjustments to prevent problems from occurring. Additionally, implementing the CPF SHE Management System has led to preventive measures and an increase in operating efficiency.

- The Company has conducted a systemic analysis on the SHE-related impacts. The information is used to consider the appropriate location of each project, the design of production process, the construction of buildings and factories, procurement, setting up of machinery and the test run before operating approval. This is to ensure that each new project or activity would bear minimal impact to the nearby communities and environment.
- The Company has conducted a risk evaluation on the environment and possible effects of the existing waste water treatment system prior to changes in production process. The Company has set up directions to prevent and reduce the possible impact before changing production process in the factories.
- Integrated environmental management was implemented. The CPF SHE Office has taken part in the operating process from the beginning of proposing the construction budget for approval, determining project details and monitoring project details prior to procurement. This is to ensure that environmental management is in line with the CPF SHE Management System (CPF SHE MS) and Policy.
- The Company has selected the highly-efficient aeration system for its waste water treatment system. The duck and chicken processing plant in Bang Na, which is in the livestock food processing unit, has added a waste water treatment system to support an increase in production. The aeration system used in factories is an Air Diffuser used in conjunction with Air Blowers. The system is highly efficient and reduces energy consumption by 40-50 percent compared to the existing aeration system. The Automatic Dissolved Oxygen Controlling system was also installed to make the aeration system work better in treating waste water.
- A hazardous waste disposal system is being utilized by the Company which monitors monthly waste generation, keeps track of proper waste collection and disposal. Hazardous waste will be disposed by a certified person from the Department of Industrial Works, the Ministry of Industry. The system is traceable and in line with the legal requirements.

- For water resource management, the Company encourages all business units to minimize water consumption and establish the 3Rs project - Reduce, Reuse and Recycle. Below is a list of pilot and existing projects.

- The Zero Discharge Effluent Project

In 2009, the food processing plant in Nong Chok District, Bangkok, launched the Zero Discharge Effluent program that reuses treated water for general purpose not related to the main production process.

- Water Management for Shrimp Farming Project

The Company controls water consumption through a closed shrimp farming system. A proper farm management system is in place with the appropriate ration of hatchery, waste water treatment, cesspools and sludge-holding ponds. This leads to efficient water circulation in the farm and does not require draining water from the farming area.

4. Results from implementing energy conservation projects

In 2009 about 24 energy-saving projects were implemented throughout the year, mostly the ones which required advance technical knowledge and higher investment.

5. Concerns for global warming

The Company encourages awareness and concern for climate change and global warming by benchmarking against international standards to ensure best results. Three measures taken include:

- (1) Efficiency in utilizing energy
- (2) Adopt modern technologies and innovations to reduce energy consumption
- (3) Reduce the release of methane and carbon dioxide gas

Important projects include :

- The change from using bunker oil to natural gas - The switch to using natural gas from bunker oil of 2 plants in the Company's ready meal unit and live stock processing unit located nearby natural gas pipeline is considered to be a move towards green energy. The change in source of fuel has benefited the country through the reduction of oil importation by 6.72 million liters a year while the emission of greenhouse gas is slashed by 2,329 tCO₂e (Ton Carbon Dioxide Equivalent) per year.
- The use of liquid petroleum gas or LPG to replace bunker oil - The Company's aquatic food processing plants began using LPG to replace bunker oil as their plants are not located near the natural gas pipeline. The use of LPG is able to reduce the release of CO₂ or greenhouse gas by 127 tCO₂e per year.

5.1 The Clean Development Mechanism Project: CDM

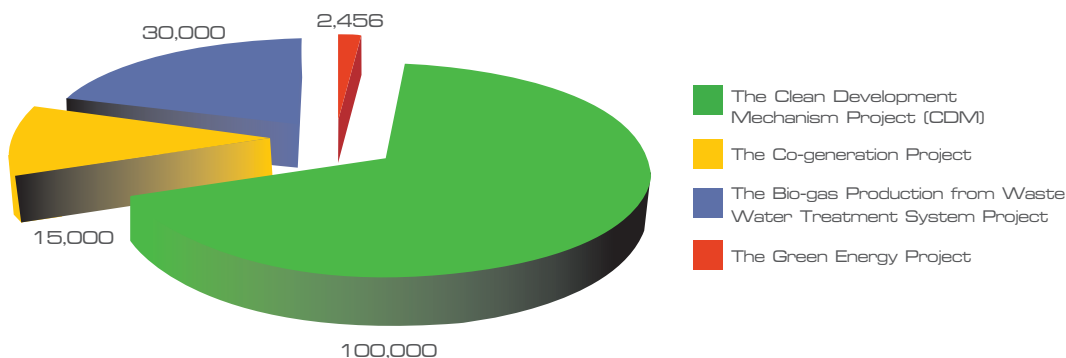


Swine farm with cover lagoon water treatment system

- The Company is in the process of implementing the Clean Development Mechanism Project or CDM and the volunteer project for 29 farms in 2009, which is expected to reduce the release of greenhouse gas by more than 100,000 tCO₂e per year. The Cover Lagoon waste water treatment system will use plastic sheets to cover the lagoon to keep bio-gas, mostly methane gas which causes greenhouse effect, inside. Swine farmers have been told about the impact of greenhouse effect and they also know how to reduce the release of greenhouse gas as well.
- The bio-gas production from waste water treatment system project - The Company's livestock food processing unit kicked off its pilot project by adopting advanced technology to help reduce the emission of methane gas from the waste water treatment system. This pilot project started since 2008 and was partly finished in 2009. The CDM project is currently under the registration process. Upon full completion, it will help reduce the release of CO₂ by 15,000 tCO₂e per year and reduce the energy consumption by 12,558 Giga Joules per year or the import of crude oil by 0.35 million liters per year.
- The co-generation technology to increase energy efficiency project - Four plants in the Company's livestock food processing unit and ready meal unit have invested more than THB 450 million in a co-generation plant. The co-generation plant, which will break even within six years, will generate 13 megawatt of electricity for the use in four factories as well as steam of 9.2 tons per hour. The project will help reduce the release of greenhouse gas and CO₂ by 30,000 tCO₂e per year. The co-generation plant is now under construction and in the process of CDM registration.

The implementation of CDM projects will help the Company reduce the release of greenhouse gas and smell affecting nearby communities. These are projects to show the Company's commitment to social responsibility.

Projects on Global Warming

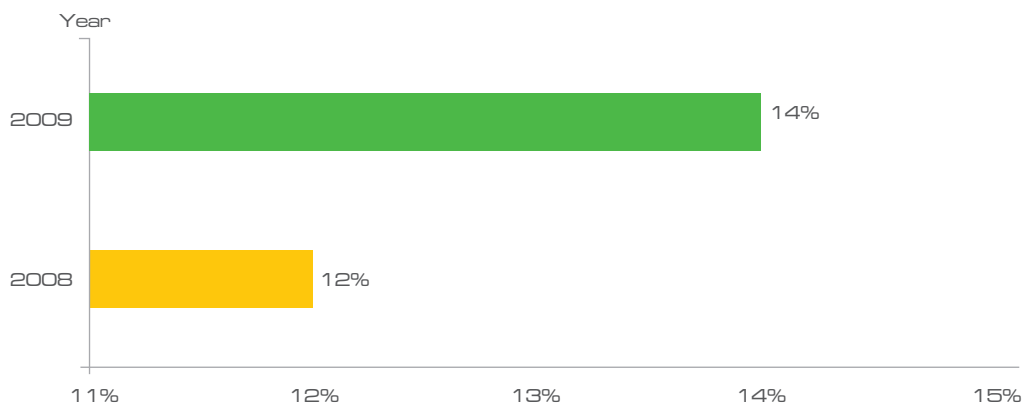


5.2 The increase of alternative energy use

The Company is determined to increase the ratio of alternative energy used instead of fossil fuel, which will help cut the emission of greenhouse gas significantly. The change is also in support of the government's policy in encouraging the use of alternative energy. Meanwhile, the Company's effort to increase the use of alternative energy is in support of the government's policy in four areas including;

- Reducing the release of greenhouse gas
- Reducing the country's import of oil
- Generating income in rural areas where farm commodities like husk, palm and corn as well as small pieces of wood are bought to produce bio-gas
- Creating jobs in the bio-gas supply chain to serve factories

Overall, the Company's trend in using alternative energy has increased from 12% in 2008 to 14% in 2009. The Company expects to maintain this ratio to help reduce global warming. The Company has a concrete management system to reduce the greenhouse gas and this is also based on international standards and practices. So, it is confident that the reduction of greenhouse gas emission will continue and be sustainable.



6. Value-added business activities with CPF SHE Value

● CPF SHE: The transfer of knowledge to the surrounding community

The Company is highly concerned about the participation in social development, so every year it organizes campaigns to promote the sharing of knowledge and experience, which could be used to support effective development of the communities. In 2009, the knowledge transfer formed part of the following initiatives:

- The Company transferred knowledge of Safety, Health and Environment Management System or CPF SHE Management System to the management of hospitals in rural areas nationwide and to 25 lecturers at the Faculty of Medicine, Khon Kaen University for use as a guideline to develop healthcare for communities.



- The Company transferred knowledge of Safety, Health and Environment Management System or CPF SHE Management System to small and medium enterprises in the animal farming business to help them to decrease risk for accidents and improve environmental management.
- The Company staged an exhibition to present its knowledge and participated in a fair, which sold cheap-priced products under the Blue Flag label, at the 11 Infantry Battalion (King's Guards)



in Bangkhen area during December 24-27, 2009. The Office of Safety, Health and Environment Management System participated in the fair to demonstrate that company is concerned about the safety and the health of its consumers as well as the environment and its commitment to social responsibility. The Company strives to be “Kitchen of the World” while being concerned about the impact of climate change and also of its community’s welfare.

- The Company joined with the Department of Labor Protection and Welfare to transfer knowledge of Safety, Health and Environment Management System to security staff across the country.
- **Participation in reversing global warming**

The Company places importance on the causes of global warming and therefore emphasize the following :

 - Most efficient use of energy
 - Reduce energy consumption and convert waste into energy
 - Increase the use of clean energy
 - Implement CDM to strengthen its business
 - Adopt the Life Cycle Thinking process applicable in Eco-design and the business assessment report on Eco-efficiency

- **Promotion campaigns on social responsibility**

The Company by the CPF SHE office and executives in the aquatic food processing plant in Klang District, Rayong, participated in the CSR-DIW project with the Department of Industrial Works, the Ministry of Industry. The Company received a certificate from the Department of Industrial Works in 2009 and applied the CRS-DIW knowledge with other companies within the group.

7. Awards and Merits

1) Best Awards in the Area of Safety are as follows:

- **Best Award in Safety, Health and Good Environment in the Workplace from the Department of Labour Protection and Welfare, the Ministry of Labour**

In 2009, the Company received 37 awards, which were the highest for a single Company in Thailand.

- **Outstanding Safety Officer**

During the past 6 years (2004-2009), 11 staff in the Safety, Health and Environments Management Office, received national awards for their outstanding work. This reflects Company employee's strong capabilities and competency.



- The Best Award for Safety, Health and Environment Management

CPF Food Products Co., Ltd.- Nong Chok factory.

- The Best Award for Emergency Team

CPF Food Products Co., Ltd. - Chicken and food processing plant, Minburi 1

2) The Award of Zero Accident from the Department of Labour Protection and Welfare, the Ministry of Labour

In 2009, 44 units of the Company received the zero accident awards as listed below.

Silver honor:	2	units
Bronze honor:	9	units
Primary honor:	33	units

3) The Standard for Corporate Social Responsibility (CSR-DIW) 2009

The Company's aquatic food processing plant in Klang District, Rayong, received the trophy and certificate recognizing its efforts in the area of social responsibility from the Department of Industrial Works.



From Past to Present

The Company history and significant development in this section was the operating and investment development in brief.

- 1987** Listed on the Stock Exchange of Thailand (SET) under the name of “CPF”
- 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 business and aquaculture business. 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.
- 2004** 84.49% share acquisition, by its subsidiary company, 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.
- 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 100.00% shareholding in this company.
 - 2) CP-Yonekyu Co., Ltd., (changed the name to “CPF Premium Foods Co., Ltd. in year 2009), 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 CPF’s subsidiary
- Acquired all ordinary shares of Star Feedmills (M) Sdn. Bhd (“SFM”) resulting CPF indirectly has 100% shareholding in SFM

2006

- Acquired business operation in connection with the manufacture and distribution of processed meat and food products from C.P. Interfood (Thailand) Company Limited. This acquisition was completed in January 2006
- Divested 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 100.00% shareholding in AA.

2007

- Changed dividend policy to pay to shareholders 2 times a year.
- Set up 2 new companies as follows:
 - 1) C.P. Aquaculture (Dongfang) Co., Ltd. to run shrimp hatchery business in the People Republic of China. CPF directly has shareholdings of 100.00% in this company.
 - 2) Charoen Pokphand Foods Phillippines Corporation to run shrimp hatchery in Philippines. CPF directly has shareholdings of 100.00% in this company.
- Acquired additional stakes in C.P. Standart Gida Sanayi ve Ticaret A.S. (“CPS”) by subsidiaries, resulted in the increase of shareholding from 92.64% to 100.00% in CPS.

2008

Repurchased the Company's shares for financial management. (details of which are shown under the section "Investor Information" on page 120)

2009

- Acquired additional stakes in Charoen Pokphand (India) Private Limited ("CPI"), resulted in the increase of shareholding from 71.20% to 99.99% in CPI.
- Purchased of the investment in 5 companies that are direct and/or indirect shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ("CPE") which is a listed company in Stock Exchange of Taiwan by a subsidiary. CPF indirectly has shareholdings of 32.41% in CPE.
- C.P. Vietnam Livestock Corporation ("CPVL") merged with Charoen Pokphand Vietnam Corporation ("CPV") by way of issuing new common share to CPV's shareholders for assuming CPV's assets and liabilities. The transaction resulted in the decrease of CPF shareholding in CPVL from 40.00% to 29.18% but not effect on CPF's interest in CPVL.



Dividend Policy

CPF has a policy to 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 (based on the separate financial statements). 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. 1/2005 series 2 due in 2010, 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. and CPF' debentures No. 1/2006 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 and must not over the net profit based on the separate financial statements 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. For fiscal year 2009, CPF's dividend income from subsidiaries totaled THB 6,309 million, of which THB 4,278 million was from subsidiaries that are non-public limited company.

Capital in Brief

Ordinary Shares

as of December 31, 2009

Par value	:	THB 1 per share
Registered capital	:	THB 8,206,664,000 (all in ordinary shares)
Paid-up capital	:	THB 7,519,937,826 (all in ordinary shares)
Number of shares repurchased for financial management	:	471,000,000 shares ⁽¹⁾
Number of Outstanding Shares,	:	7,048,937,826 shares
(Net of Repurchased Shares)		

Note: ⁽¹⁾ Share repurchase program for financial management period started from August 28, 2008 to February 27, 2009. At the end of the program total cumulative number of repurchased shares was 471,000,000 shares or equal to 6.26% of the total number of total issued share of the Company for a total consideration of THB 1,624 million (excluding commission fee and VAT).

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.

Change in Paid-up Capital

		Capital Increase	Paid-Up Capital		Details
		(THB Million)	(THB Million)	(No. of Shares)	
					(BAP), Bangkok Produce
					Merchandising Plc. (BKP) and
					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
January	2003	859	5,708	5,708,162,731	Last exercise of warrant, CPF-W,
					and first exercise of warrant, CPF-W2

Change in Paid-up Capital

		Capital Increase (THB Million)	Paid-Up Capital		Details
			(THB Million)	(No. of Shares)	
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	5,727,546,606	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

Shareholders

(as of the latest closing date of shareholder register book at August 25, 2009)

Names	% Holding (before net of repurchased share for financial management)
1. Thai individuals	21.43%
2. Foreign individuals	0.23%
3. Thai juristic persons	59.41%
4. Foreign juristic persons	18.93%
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 exercising their rights of convertible debenture holders or warrant holders or subscription of newly issued ordinary shares (including dividend shares or ordinary shares issued to the holders of ordinary shares who have acquired the shares under conditions in this paragraph); issued and offered for sale by CPF; provided that the holding of new ordinary shares in such case, when added to the ordinary shares held by aliens according to previous paragraph, shall not cause the total number of ordinary shares held by aliens exceed 49 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 exercising of their conversion rights or subscription of capital increase shares issued and offered for sale by CPF under conditions in this paragraph (including dividend shares or new ordinary shares issued to the holders of ordinary shares who have acquired shares under conditions in this paragraph) to the aliens in every stage of transfer until such shares are transferred to the non-aliens.

As of August 25, 2009, there were 19.16% of CPF's issued shares held by foreign investors.

Top Ten Major Shareholders

(as of the latest closing date of shareholder register book at August 25, 2009)

Name	No. of Shares	% Holding (before net of repurchased shares for financial management)
1. Charoen Pokphand Group Co., Ltd. and related persons ⁽¹⁾	3,129,726,595	41.62%
2. NORTRUST NOMINEES LTD. - NTGS ⁽²⁾	253,120,100	3.37%
3. MELLON BANK, N.A. ⁽³⁾	242,668,900	3.23%
4. Thai NVDR Co., Ltd. ⁽⁴⁾	184,486,591	2.45%
5. Social Security Office ⁽⁵⁾	107,600,900	1.43%
6. STATE STREET BANK AND TRUST COMPANY ⁽⁶⁾	94,794,234	1.26%
7. Ms. Walaiporn Jiraphummin	82,300,000	1.09%
8. UOB KAY HIAN PRIVATE LIMITED ⁽⁷⁾	64,180,000	0.85%
9. CITIBANK INTERNATIONAL PLC. (LUXEMBOURG BRANCH)-BATTERY MARCH GEM FD ⁽²⁾	58,419,200	0.78%
10. THE BANK OF NEW YORK NOMINEES LTD-CGT EXEMPT ⁽⁸⁾	58,212,989	0.77%

Note:

⁽¹⁾ Includes Charoen Pokphand Group Company Limited ("CPG"), Charoen Pokphand Holding Co., Ltd. Bangkok AgroIndustrial Plc., Bangkok Produce Merchandising Plc., Bangkok Food Products Co, Ltd., Charoen Pokphand Industrial Co, Ltd., and Chesters Food Co., Ltd. The Chearavanont family is the major shareholder of CPG with total holding of 91.68%.

⁽²⁾ A foreign company, contact information: Citibank N.A. Securities Services, 16th Floor, 82 North Sathorn Road, Bangrak, Bangkok 10500

⁽³⁾ A foreign company, contact information: 968 HSBC building, 5th Floor, Rama 4 Road, Bangrak, Bangkok 10500

⁽⁴⁾ A Thai company, contact information: 62, the Stock Exchange of Thailand Building, Ratchadapisek Road, Klong Toey, Bangkok 10110

⁽⁵⁾ A Thai government agency, contact information: Siam Commercial Bank Plc., Markets Operations Division, 1060, Building 2, 3rd Floor, Phetburi Road, Ratchatawee, Bangkok

⁽⁶⁾ A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Sathorn Nakorn Tower, 14th Floor, Zone B, North Sathorn Road, Bangrak, Bangkok 10500

⁽⁷⁾ A foreign company, contact information: 130-132, Sindhorn Tower 1, 3rd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330

⁽⁸⁾ A foreign company, contact information: Bangkok Bank Plc., Securities Services Department, Trithip Building, 1st Floor, Silom, Bangrak, Bangkok 10500

Charoen Pokphand Group Company Limited does not have any shareholdings in No. 2-4, 6 and No. 8-10.



*Kitchen
of the World*

Information of Companies in which the Company has Shareholding

Subsidiaries

As of December 31, 2009, there were 98 subsidiaries in which CPF directly and indirectly holds more than 50% of their paid-up capital, categorized by business type as follows:

Livestock Business in Thailand

Bangkok Produce Merchandising Plc.

Type of Business	Animal feed raw materials 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 Plc.

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2680-4500
Facsimile Number	0-2680-4692
Registered Capital	THB 1,500,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.98%

Bangkok Food Products Co., Ltd.

Type of Business	Animal feedmill, livestock farming and food processing plant
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 Plc.

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2680-4500
Facsimile Number	0-2680-4692
Registered Capital	THB 300,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.61%

Charoen Pokphand Industry Co., Ltd.

Type of Business	Animal feedmill and livestock farming
Head Office	Bangkok, Thailand
Telephone Number	0-2680-4500
Facsimile Number	0-2680-4692
Registered Capital	THB 166,650,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

CPF Food Products Co., Ltd.

Type of Business	Broiler chicken 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 Co., Ltd.

Type of Business	Wholesale and retail food products
Head Office	Bangkok, Thailand
Telephone Number	0-2693-0583
Facsimile Number	0-2693-0584
Registered Capital	THB 800,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

CPF Logistics Co., Ltd.

Type of Business	Transportation services
Head Office	Bangkok, Thailand
Telephone Number	0-2784-5713
Facsimile Number	0-2784-5799
Registered Capital	THB 40,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

C.P. Agro-Industry Co., Ltd.

Type of Business	Livestock farming
Head Office	Suratthani, Thailand

Telephone Number	0-7728-2229
Facsimile Number	0-7728-2230
Registered Capital	THB 400,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

C.P. Food Products Co., Ltd.

Type of Business	Restaurant
Head Office	Bangkok, Thailand
Telephone Number	0-2641-1333
Facsimile Number	0-2641-0333
Registered Capital	THB 228,200,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

C.P. Merchandising Co., Ltd.

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%

CPF Premium Foods Co., Ltd. (formerly CP-Yonekyu Co., Ltd.)

Type of Business	Food 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	99.99%

B.P. Food Products Co., Ltd.

Type of Business	Animal feedmill and livestock farming
Head Office	Saraburi, Thailand
Telephone Number	0-3637-1885
Facsimile Number	0-3637-6578

Registered Capital	THB 345,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.99%

Bangkok Farm Co., Ltd.*

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%

Universal Food and Marketing Co., Ltd.

Type of Business	Wholesale and retail 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 Foods Co., Ltd.

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 Food Co., Ltd.

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%

Note: * Transferred the principal activity, food processing, to CPF Food Products Co., Ltd. in 2005.

Aquaculture Business in Thailand

Thai Prawn Culture Center Co., Ltd.**

Type of Business	Shrimp farming and processing plant
Head Office	Songkhla, Thailand
Telephone Number	0-7458-7571-2
Facsimile Number	0-7439-6749
Registered Capital	THB 45,000,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.90%

Klang Co., Ltd.***

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 Co., Ltd.**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 10,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Seafoods Enterprise Co., Ltd.***

Type of Business	Shrimp processing plant
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2631-0776
Registered Capital	THB 20,000,000 (all in ordinary shares)

Par Value	THB 10.00 per share
Shareholding	99.99%

Trad Prawn Culture Co., Ltd.**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 9,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.93%

Pokphand Aquatech Co., Ltd.

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 Co., Ltd.**

Type of Business	Shrimp farming
Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2147
Registered Capital	THB 17,500,000 (all in ordinary shares)
Par Value	THB 100.00 per share
Shareholding	99.87%

Notes ** All businesses were transferred to Charoen Pokphand Foods Plc. in 2005 and registered the Company dissolution on December 25, 2009.

***All businesses were transferred to Charoen Pokphand Foods Plc. in 2005.

Businesses Related to Operations in Thailand

C.P. Food Products, Inc.

Type of Business	Importer and distributor of seafood products
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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%

CP Foods (UK) Ltd.

Type of Business	Importer and distributor of processed meat and ready meal
Head Office	United Kingdom
Telephone Number	44-1299-253131
Facsimile Number	44-1299-253132
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	1-410-505-5017
Facsimile Number	1-410-381-6868
Registered Capital	USD 3,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Shareholding	100.00%

CPF Denmark A/S

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	Denmark
Telephone Number	45-7526-1330
Facsimile Number	45-7526-1336
Registered Capital	EUR 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 ready meals
Head Office	Belgium
Telephone Number	32-2357-5387
Facsimile Number	32-2357-5398
Registered Capital	EUR 28,000,000 (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 ready meals
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%

Fusion Abbey Park Ltd.

(formerly Fusion Abbey Park Foods Ltd.)	
Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Brothwood Ltd.

(formerly Brothwood Ltd.)	
Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Calis Ltd.**(formerly Calis Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Carnoustie Ltd.**(formerly Carnoustie Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Dalaman Ltd.**(formerly Dalaman Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Dormington Ltd.**(formerly Dormington Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Driscoll Ltd.**(formerly Driscoll Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Everton Ltd.**(formerly Everton Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Exning Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Fethiye Ltd.**(formerly Fethiye Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Gatley Ltd.**(formerly Gatley Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Gocsek Ltd.**(formerly Gocsek Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Haddenham Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office United Kingdom

Paid-up Capital GBP 1.00

Shareholding 52.00%

Fusion Havenhill Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office United Kingdom

Paid-up Capital GBP 1.00

Shareholding 52.00%

Fusion Hawstead Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office United Kingdom

Paid-up Capital GBP 1.00

Shareholding 52.00%

Fusion Head Street Ltd.**(formerly Head Street Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office United Kingdom

Paid-up Capital GBP 1.00

Shareholding 52.00%

Fusion Kaitala Ltd.**(formerly Kaitala Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office United Kingdom

Paid-up Capital GBP 1.00

Shareholding 52.00%

Fusion Kroma Ltd.**(formerly Kroma Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Krone Ltd.**(formerly Krone Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Lidgate Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Littleworth Ltd.**(formerly Littleworth Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Madeley Ltd.**(formerly Madeley Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Newlands Ltd.**(formerly Newlands Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Niamh Ltd.**(formerly Niamh Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Pershore Ltd.**(formerly Pershore Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Priest Lane Ltd.**(formerly Priest Lane Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Samui Ltd.**(formerly Samui Foods Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Saxham Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Soham Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Stowmarket Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Swaffham Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Thetford Ltd.

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Turguy Ltd.**(formerly Turguy Ltd.)**

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Uzumlu Ltd.
(formerly Uzumlu Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Wadborough Ltd.
(formerly Wadborough Foods Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Wellington Ltd.
(formerly Wellington Foods Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Whistler Ltd.
(formerly Whistler Foods Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Fusion Yamac Ltd.
(formerly Yamac Foods Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
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Head Office	United Kingdom
Paid-up Capital	GBP 1.00
Shareholding	52.00%

Other Businesses in Thailand

CPF Training Center Co., Ltd.

Type of Business	Training center service provider
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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	99.997%

CPF IT Center Co., Ltd.

Type of Business	Information technology service provider
------------------	---

Head Office	Bangkok, Thailand
Telephone Number	0-2625-8000
Facsimile Number	0-2638-2139
Registered Capital	THB 250,000,000 (all in ordinary shares)
Par Value	THB 10.00 per share
Shareholding	99.99%

Overseas Business

Arbor Acres (Taiwan) Co., Ltd.

Type of Business	Livestock farming
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 31,500,000 (all in ordinary shares)
Par Value	NTD 10.00 per share
Shareholding	16.21%

Asia Aquaculture (M) Sdn. Bhd.

Type of Business	Shrimp farming and processing plant
Head Office	Malaysia

Telephone Number	603-4027-1800
Facsimile Number	603-4027-1900
Registered Capital	RM 25,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

Bright Excel Investments Ltd.

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

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

Type of Business	Aquatic feed production and distribution and aquaculture farming
Head Office	People's Republic of China
Telephone Number	86-779-208-4362
Facsimile Number	86-779-208-3950
Registered Capital	USD 5,500,000 (all in ordinary shares)
Shareholding	100.00%

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

Type of Business	Shrimp hatchery business
Head Office	People's Republic of China
Telephone Number	86-898-3696-3928
Facsimile Number	86-898-3696-5688
Registered Capital	RMB 32,000,000 (all in ordinary shares)
Shareholding	100.00%

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

Type of Business	Animal feed production and distribution and aquaculture farming
Head Office	People's Republic of China
Telephone Number	86-898-3696-3928
Facsimile Number	86-898-3696-5688
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	Lao People's Democratic Republic
Telephone Number	856-021-453508-10
Facsimile Number	856-021-453507
Registered Capital	USD 3,000,000 (all in ordinary shares)
Par Value	USD 10.00 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	212-267-3343
Registered Capital	YTL 100,000,000 (all in ordinary shares)
Par Value	YTL 1.00 per share
Shareholding	100.00%

Calibre Nature (M) Sdn. Bhd.

Type of Business	Investment in aquaculture integration business
Head Office	Malaysia
Telephone Number	603-4027-1800
Facsimile Number	603-4027-1900
Registered Capital	RM 120,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

Type of Business	Chicken integration and livestock farming
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 3,579,000,000 (all in ordinary shares)
Par Value	NTD 10.00 per share
Shareholding	32.41%

Charoen Pokphand (India) Private Ltd.

Type of Business	Feed Production and farming
Head Office	India
Telephone Number	91-44-24474166
Facsimile Number	91-44-24472880
Registered Capital	RS 630,000,000 (all in ordinary shares)
Par Value	RS 10.00 per share
Shareholding	99.99%

Charoen Pokphand (Taiwan) Co., Ltd.

Type of Business	Importer and distributor of feedstuff additives and animal vaccines
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 27,152,400 (all in ordinary shares)
Par Value	NTD 10.00 per share
Shareholding	29.17%

Charoen Pokphand (Taiwan)

Investment Ltd.

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

Charoen Pokphand (USA), Inc.

Type of Business	Broiler chicken 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	7-496-636-1874
Facsimile Number	7-496-636-1924
Registered Capital	RUB 793,371,000 (all in ordinary shares)
Shareholding	99.99%

Charoen Pokphand Foods

Philippines Corporation

Type of Business	Shrimp hatchery business
Head Office	Philippines
Telephone Number	63-34-432-0994
Facsimile Number	63-34-432-0969
Registered Capital	PHP 50,000,000 (all in ordinary shares)
Shareholding	100.00%

Chia Tai Lianyungang Co., Ltd.

Type of Business	Investment
Head Office	Hong Kong
Telephone Number	852-25201601
Facsimile Number	852-25285802
Registered Capital	HKD 1,000,000 (all in ordinary shares)
Par Value	HKD 1.00 per share
Shareholding	32.41%

Chun Ta Investment Co., Ltd.

Type of Business	Investment
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 50,000,000 (all in ordinary shares)
Par Value	NTD 10.00 per share
Shareholding	100.00%

Coinaton Investments Ltd.

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

CPF Investment Ltd.

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%

CPF Food Trading Co., Ltd.

(formerly C.P. Food Product
(Shanghai) Co., Ltd.)

Type of Business	Importer and distributor of processed meat and ready meals
Head Office	People's Republic of China
Telephone Number	86-21-5835-8683
Facsimile Number	86-21-5835-5655
Registered Capital	USD 4,000,000 (all in ordinary shares)
Shareholding	100.00%

Forward Pass Ltd.

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

Lianyungang Chia Tai Feed Co., Ltd.

Type of Business	Animal feedmill
Head Office	People's Republic of China
Telephone Number	86-518-82342558
Facsimile Number	86-518-82340802
Registered Capital	USD 5,400,000 (all in ordinary shares)
Shareholding	22.69%

New Splendid Holdings Ltd.

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

Plenty Type Ltd.

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

Star Feedmills (M) Sdn. Bhd.

Type of Business	Aquatic feed production and distribution
Head Office	Malaysia
Telephone Number	603-8921-8299
Facsimile Number	603-8921-8399
Registered Capital	RM 100,000,000 (all in ordinary shares)
Par Value	RM 1.00 per share
Shareholding	100.00%

Ta Chung Investment Co., Ltd.

Type of Business	Investment
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 100,000,000 (all in ordinary shares)
Par Value	NTD 10.00 per share
Shareholding	100.00%

Taiwan Sizzler Co., Ltd.

Type of Business	Restaurant
Head Office	Taiwan
Telephone Number	886-2-25077071
Facsimile Number	886-2-25064137
Registered Capital	NTD 100,050,000

(all in ordinary shares)

Par Value	NTD 10.00 per share
Shareholding	32.41%

Associates

As of December 31, 2009, there were 8 companies in which CPF directly and indirectly holds more than 20.00% to 50.00% of their paid-up capital.

CP All Plc.

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	26.11%

Nava 84 Co., Ltd.

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

Ross Breeders Siam Co., Ltd.

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 Co., Ltd.

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 Co., Ltd.

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 Ltd.

Type of Business	Aquatic feedmill 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 Corp.

Type of Business	Livestock feedmill and farming in Vietnam
Head Office	Vietnam
Telephone Number	84-6183-36251
Registered Capital	VND 1,223,928,330,000 (all in ordinary shares)
Par Value	VND 10,000 per share
Shareholding	29.18%

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

Type of Business	Investment, of which invested 100.00% and 99.99% in 8 and 1 livestock feedmill and livestock farming companies, respectively, 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	49.66%

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

As of December 31, 2009, there was 1 company in which CPF directly and indirectly holds more than 10.00% but less than 20.00% of its paid-up capital.

Kinghill Ltd.

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 Islands
Registered Capital	USD 250,000,000 (all in ordinary shares)
Par Value	USD 1.00 per share
Shareholding	16.75%

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

References

Share Registrar

Thailand Securities Depository Co., Ltd.
Capital Market Academy Building, North Park Project
2/7 Moo 4, 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. #1/2005 Series 2 due 2010 and Unsecured Debentures of Charoen Pokphand Foods Plc. #1/2008 Series 1 due 2011, #1/2008 Series 2 due 2013, #1/2009 Series 1 due 2013, #1/2009 Series 2 due 2014, and #1/2009 Series 3 due 2015

Bond Registrar and Bondholders' Representative

Securities Services Department, Kasikornbank Plc.
Head Office Building, Phaholyothin, 11th Floor
400/22 Phaholyothin Road, Samsen Nai, Phayathai,
Bangkok 10400, Thailand
Telephone number (662) 470-1982
Facsimile number (662) 470-1998

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

Bond Registrar

Securities Services Department, Bangkok Bank Plc.
Trithip Building, 1st Floor
333 Silom Road, Bangrak, Bangkok 15000, Thailand
Telephone number (662) 230-1477-8
Facsimile number (662) 626-4545-6

Bondholders' Representative

Treasury Operations and Investor Services Department,
CIMB Thai Bank 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, #1/2007 Series 2 due 2012,
and #2/2009 due 2015

Bond Registrar

Registrar 1, Markets Operations Division,
Siam Commercial Bank Plc.

Chidlom Building 2, 3rd Floor, 1060 Phetburi, Ratchatawee,
Bangkok 10400, Thailand

Telephone number (662) 256-2323-6

Facsimile number (662) 256-2406

Bondholders' Representative

(Unsecured Debentures of Charoen Pokphand Foods Plc.
#1/2007 Series 1 due 2010, #1/2007 Series 2 due 2012)
Investor Services Department, TMB Bank Plc.

TMB Bank Building, 10th Floor, Silom Soi 7 Branch 393,
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 Mellon, Depositary Receipts Division
101 Barclay Street, 22nd Floor, New York, New York 10286
Contact List: New York

Judy I Kang Telephone number 1-212-815-4295

Contact List: Hong kong

Kammy Yuen Telephone number 852-2840-9872

Auditors

Mr. Charoen Phosamritlert C.P.A. (Thailand)	Registration No. 4068
Mr. Vairote Jindamaneepitak C.P.A. (Thailand)	Registration No. 3565
Ms. Bongkot Amsageam C.P.A. (Thailand)	Registration No. 3684

KPMG Phoomchai Audit Ltd.

Empire Tower, 50-51th Floor, 195 South Sathorn Road, Sathorn,
Bangkok 10120, Thailand

Telephone number (662) 677-2000

Facsimile number (662) 677-2232

The Auditors' Remunerations

CPF's auditors in the year 2009 were Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No. 4068, Mr. Viroj Jindamaneepitak C.P.A. (Thailand) Registration No. 3565 and Ms. Bongkot Amsageam C.P.A. (Thailand) Registration No. 3684 of KPMG Phoomchai Audit Ltd.

In 2009, the remunerations⁽¹⁾ that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited were as follows:

	CPF	Subsidiaries
1. The audit fees on company's accounts	THB 3,490,000	THB 11,189,000
2. Other audit fees on special projects	THB 1,030,000	THB 1,580,000

Note : ⁽¹⁾ The above fee excluded out-of-pocket expenses to be reimbursed by the Company.

Contact us

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Facsimile Number (662) 638-2139
Website <http://www.cpfworldwide.com>

Corporate Secretary Office

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Investor Relations Office

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Telephone Number (662) 625-8351, (662) 625-8353,
(662) 625-8355, (662) 625-8356
Facsimile Number (662) 638-2942
E-mail address kobboon@cpf.co.th / warrawut@cpf.co.th /
primpang.b@cpf.co.th

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

Call Center

Telephone Number (662) 800-8000

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

Annual financial statements
and
Audit Report of Certified Public Accountant

For the years ended
31 December 2009 and 2008



KPMG Phoomchai Audit Ltd.

Empire Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120; Thailand

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด

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กรุงเทพฯ 10120

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Fax: 66 (2) 677 2222
www.kpmg.co.th

Audit Report of Certified Public Accountant

To the Shareholders of Charoen Pokphand Foods Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended of Charoen Pokphand Foods Public Company Limited and its subsidiaries, and of Charoen Pokphand Foods Public Company Limited respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of certain foreign subsidiaries and associates included in the consolidation. The financial statements of those subsidiaries reflect total assets as at 31 December 2009 and 2008 of Baht 19,525 million and Baht 12,263 million respectively; and total revenues for the years then ended of Baht 34,386 million and Baht 27,174 million respectively. The carrying value of the investments in those foreign associates at 31 December 2009 and 2008 were Baht 3,583 million and Baht 3,274 million respectively, and the equity in net profits from investments in those associates for the years then ended were Baht 425 million and Baht 305 million respectively. The financial statements of the foreign subsidiaries and associates were audited by other auditors whose reports have been furnished to me and my opinion, insofar as it relates to the amounts included for those foreign subsidiaries and associates, is based solely on the reports of the other auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the reports of the other auditors referred to in the first paragraph provide a reasonable basis for my opinion.



In my opinion, based on my audits and the reports of the other auditors as referred to in the first paragraph, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and 2008 and the results of operations and cash flows for the years then ended of Charoen Pokphand Foods Public Company Limited and its subsidiaries, and of Charoen Pokphand Foods Public Company Limited respectively in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'C. Phosamritlert'.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2010

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in thousand Baht)					
Current assets					
Cash and cash equivalents	6	10,522,692	3,452,904	7,256,741	407,089
Accounts receivable - trade and others	5, 7	14,360,982	14,114,937	7,163,045	6,829,358
Current portion of long-term receivable from related company for sale of investment	5	256,700	269,025	-	-
Short-term loans to subsidiaries	5	-	-	7,464,936	15,244,510
Current portion of long-term loans to subsidiaries	5	-	-	2,509,538	1,692,323
Inventories	5, 8	26,283,758	27,887,880	5,685,276	6,526,688
Accrued dividend income from subsidiaries	5	-	-	4,297,919	-
Advance payments for purchase of goods		577,548	69,088	-	-
Prepaid expenses		435,567	291,239	143,241	108,224
Other current assets	5	996,709	1,175,095	176,717	114,799
Total current assets		53,433,956	47,260,168	34,697,413	30,922,991
Non-current assets					
Investments in subsidiaries	9	-	-	19,707,959	17,990,369
Investments in associates	10	10,555,559	9,099,117	290,300	290,300
Investments in related companies	11	1,178,336	1,006,653	143,631	143,631
Investments in other companies	12	211,860	162,224	-	-
Land held for future projects	13	1,121,331	1,128,193	98,550	104,950
Long-term receivable from related company for sale of investment	5	-	269,025	-	-
Long-term loans to subsidiaries	5	-	-	7,405,182	1,087,416
Property, plant and equipment	5, 14	46,421,696	44,706,335	17,790,020	18,911,027
Intangible assets	15	884,185	884,515	35,328	33,481
Restricted deposits at financial institutions	16	301,564	342,742	-	-
Deferred tax assets	17	1,109,401	2,281,290	559,813	1,059,335
Other non-current assets		480,392	369,739	73,297	95,569
Total non-current assets		62,264,324	60,249,833	46,104,080	39,716,078
Total assets		115,698,280	107,510,001	80,801,493	70,639,069

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in thousand Baht)					
Current liabilities					
Overdrafts and short-term borrowings					
from financial institutions	18	9,745,080	20,961,916	5,702	1,967,711
Notes payable	18	-	2,672,517	-	2,672,517
Accounts payable - trade and others	5, 19	9,105,914	7,607,140	2,452,090	3,536,581
Short-term borrowings from					
subsidiaries	5, 18	-	-	115,500	101,600
Current portion of long-term debts	18	6,294,082	5,482,821	5,900,000	4,700,337
Accrued expenses		1,706,783	1,169,827	371,849	185,213
Income tax payable		847,935	298,969	-	-
Other current liabilities		1,937,174	1,715,786	662,230	661,191
Total current liabilities		29,636,968	39,908,976	9,507,371	13,825,150
Non-current liabilities					
Long-term debts	18	26,758,273	18,365,057	26,300,000	17,800,000
Provisions and others		1,045,067	596,062	82,447	60,322
Deferred tax liabilities	17	2,879,804	2,690,138	270,322	270,796
Deferred gain on sale of investment	5	398,977	398,977	-	-
Total non-current liabilities		31,082,121	22,050,234	26,652,769	18,131,118
Total liabilities		60,719,089	61,959,210	36,160,140	31,956,268

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in thousand Baht)					
Equity					
Share capital	20				
Authorised share capital		8,206,664	8,206,664	8,206,664	8,206,664
Issued and paid-up share capital		7,519,938	7,519,938	7,519,938	7,519,938
Treasury shares	21	-2,855,124	-2,116,718	-1,628,825	-1,396,018
Additional paid-in capital	22				
Premium on ordinary shares		16,436,492	16,436,492	16,478,865	16,478,865
Unrealised surpluses (deficits)					
Revaluation differences on assets		2,332,088	2,332,088	600,629	600,629
Revaluation from equity in associates		1,467,052	1,415,112	-	-
Fair value changes on investments		-668,000	-833,273	-	-
Currency translation differences		-1,561,873	-1,009,135	-	-
Retained earnings					
Appropriated	22				
Legal reserve		820,666	820,666	820,666	820,666
Treasury shares reserve	21	1,628,825	1,396,018	1,628,825	1,396,018
Unappropriated		26,764,462	19,091,896	19,221,255	13,262,703
Total equity attributable to equity holders of the Company		51,884,526	45,053,084	44,641,353	38,682,801
Minority interests		3,094,665	497,707	-	-
Total equity		54,979,191	45,550,791	44,641,353	38,682,801
Total liabilities and equity		115,698,280	107,510,001	80,801,493	70,639,069

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

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

Statements of income

For the years ended 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Revenues	5				
Revenue from sale of goods		165,063,016	156,237,633	54,290,383	54,885,268
Interest income		56,904	80,161	1,090,317	1,291,665
Dividend income		13,317	19,761	6,308,893	729,617
Net foreign exchange gain		190,502	372,616	12,178	92,242
Negative goodwill arising from business combination	4	453,411	-	-	-
Other income		1,522,510	1,075,211	340,123	378,767
Total revenues		167,299,660	157,785,382	62,041,894	57,377,559
Expenses	5				
Cost of sale of goods	8	135,870,654	135,737,884	46,320,870	48,911,239
Selling expenses	24	7,896,918	7,992,767	1,289,840	1,330,269
Administrative expenses	25	9,661,237	8,496,774	2,818,030	2,461,541
Loss on sale of investments		-	-	934,297	701,870
Management benefit expenses	26	583,886	508,881	208,430	196,199
Total expenses		154,012,695	152,736,306	51,571,467	53,601,118
Share of profit of associates	10	1,591,498	1,161,873	-	-
Profit before finance costs and income tax expense		14,878,463	6,210,949	10,470,427	3,776,441
Finance costs	5, 27	1,949,100	2,769,120	1,363,679	1,381,169
Profit before income tax expense		12,929,363	3,441,829	9,106,748	2,395,272
Income tax expense	28	2,538,942	217,549	518,750	24,006
Profit for the year		10,390,421	3,224,280	8,587,998	2,371,266
Profit for the year attributable to:					
Equity holders of the Company		10,190,217	3,128,404	8,587,998	2,371,266
Minority interests		200,204	95,876	-	-
Profit for the year		10,390,421	3,224,280	8,587,998	2,371,266
Basic earnings per share (Baht)	30	1.52	0.44	1.22	0.32

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Statements of changes in equity
For the years ended 31 December 2009 and 2008

Consolidated financial statements													
Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Revaluation differences on assets	Revaluation from equity in associates	Fair value changes on investments	Currency translation differences	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Total equity attributable to equity holders of the Company	Minority interests	Total equity
	(in thousand Baht)												
Balance at 1 January 2008	7,519,938	-720,700	16,436,492	2,135,301	215,493	-177,159	-193,249	820,666	-	18,545,838	44,582,620	542,054	45,124,674
Unrealised gains (losses)													
Revaluation differences on assets	-	-	-	196,787	-	-	-	-	-	206	196,993	-	196,993
Revaluation from equity in associates	-	-	-	-	1,191,133	-	-	-	-	-	1,191,133	-	1,191,133
Net change in fair value recognised in equity	-	-	-	-	8,486	-656,114	-	-	-	-	-647,628	-525	-648,153
Translation of financial statement differences	-	-	-	-	-	-	-815,886	-	-	-	-815,886	-99,899	-915,785
Net income (expense) recognised directly in equity	-	-	-	196,787	1,199,619	-656,114	-815,886	-	-	206	-75,388	-100,424	-175,812
Profit for the year	-	-	-	-	-	-	-	-	-	3,128,404	3,128,404	95,876	3,224,280
Total recognised income and expense	-	-	-	196,787	1,199,619	-656,114	-815,886	-	-	3,128,610	3,053,016	-4,548	3,048,468
Purchase of treasury shares 2/	-	-1,396,018	-	-	-	-	-	-	-	-	-1,396,018	-	-1,396,018
Treasury shares reserve 2/	-	-	-	-	-	-	-	-	1,396,018	-1,396,018	-	-	-
Dividends paid - net of dividends paid to subsidiaries (for shares held in treasury)	-	-	-	-	-	-	-	-	-	-1,186,534	-1,186,534	-39,799	-1,226,333
Balance at 31 December 2008	7,519,938	-2,116,718	16,436,492	2,332,088	1,415,112	-833,273	-1,009,135	820,666	1,396,018	19,091,896	45,053,084	497,707	45,550,791

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

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

Statements of changes in equity

For the years ended 31 December 2009 and 2008

Consolidated financial statements													
Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Revaluation differences on assets	Revaluation from equity in associates	Fair value changes on investments	Currency translation differences	Legal reserve	Treasury shares reserves	Unappropriated retained earnings	Total equity attributable to equity holders of the Company	Minority interests	Total equity
	(in thousand Baht)												
Balance at 1 January 2009	7,519,938	-2,116,718	16,436,492	2,332,088	1,415,112	-833,273	-1,009,135	820,666	1,396,018	19,091,896	45,053,084	497,707	45,550,791
Unrealised gains (losses)													
Revaluation from equity in associates	10	-	-	-	51,940	-	-	-	-	-	51,940	-	51,940
Net change in fair value recognised in equity		-	-	-	-	165,273	-	-	-	-	165,273	636	165,909
Translation of financial statement differences		-	-	-	-	-	-552,738	-	-	-	-552,738	-5,849	-558,587
Net income (expense) recognised													
directly in equity		-	-	-	51,940	165,273	-552,738	-	-	-	-335,525	-5,213	-340,738
Profit for the year		-	-	-	-	-	-	-	-	10,190,217	10,190,217	200,204	10,390,421
Total recognised income and expense		-	-	-	51,940	165,273	-552,738	-	-	10,190,217	9,854,692	194,991	10,049,683
Purchase of treasury shares	21	-	-232,807	-	-	-	-	-	-	-	-232,807	-	-232,807
Treasury shares reserve	21	-	-	-	-	-	-	-	232,807	-232,807	-	-	-
Shares held by subsidiaries	21	-	-505,599	-	-	-	-	-	-	-	-505,599	-	-505,599
Dividends paid - net of dividends paid to subsidiaries (for shares held in treasury)		-	-	-	-	-	-	-	-	-2,284,840	-2,284,840	-51,694	-2,336,534
Minority in subsidiaries		-	-	-	-	-	-	-	-	-4	-4	2,453,661	2,453,657
Balance at 31 December 2009	7,519,938	-2,855,124	16,436,492	2,332,088	1,467,052	-668,000	-1,561,873	820,666	1,628,825	26,764,462	51,884,526	3,094,665	54,979,191

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

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

Statements of changes in equity

For the years ended 31 December 2009 and 2008

Separate financial statements									
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Revaluation differences on assets	Fair value changes on investments	Legal reserve	Treasuy shares reserve	Unappropriated retained earnings	Total equity attributable to equity holders of the Company
<i>Note</i>									
<i>(in thousand Baht)</i>									
Balance at 1 January 2008	7,519,938	-	16,478,865	600,629	-241,082	820,666	-	13,528,244	38,707,260
Unrealised gains									
Net change in fair value recognised in equity	-	-	-	-	241,082	-	-	-	241,082
Total recognised income directly in equity	-	-	-	-	241,082	-	-	-	241,082
Profit for the year	-	-	-	-	-	-	-	2,371,266	2,371,266
Total recognised income	-	-	-	-	241,082	-	-	2,371,266	2,612,348
Purchase of treasury shares	21	-1,396,018	-	-	-	-	-	-	-1,396,018
Treasury shares reserve	21	-	-	-	-	-	1,396,018	-1,396,018	-
Dividends paid	31	-	-	-	-	-	-	-1,240,789	-1,240,789
Balance at 31 December 2008	7,519,938	-1,396,018	16,478,865	600,629	-	820,666	1,396,018	13,262,703	38,682,801

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

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

Statements of changes in equity

For the years ended 31 December 2009 and 2008

		Separate financial statements								
		Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Revaluation differences on assets	Fair value changes on investments	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Total equity attributable to equity holders of the Company
Note										
(in thousand Baht)										
					</					

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in thousand Baht)			
Cash flows from operating activities					
Profit for the year		10,390,421	3,224,280	8,587,998	2,371,266
Adjustments for					
Depreciation	14	4,572,121	4,502,732	2,091,986	2,036,710
Amortisation	15	60,751	61,148	5,387	4,700
Allowance (reversal of allowance) for doubtful accounts		8,685	-29,056	-4,030	7,266
Allowance (reversal of allowance) for losses on decline in value of inventories		77,416	23,824	-4,931	548
Interest income		-56,904	-80,161	-1,090,317	-1,291,665
Dividend income		-13,317	-19,761	-6,308,893	-729,617
Finance costs	27	1,949,100	2,769,120	1,363,679	1,381,169
Provisions and others		141,449	109,004	22,125	19,095
(Gain) loss on sale of investments		-	-1,844	934,297	701,870
Gain on sale of land held for future projects		-98	-527	-	-
(Gain) loss on sale of property, plant and equipment		-813	10,330	-5,095	4,331
Loss on write-off of plant and equipment		37,300	32,423	17,572	11,846
Loss on revaluation in property, plant and equipment		-	11,010	-	-
Gain on sale of intangible assets		-	-1	-1	-1
Impairment losses on goodwill		11,193	28,273	-	-
Negative goodwill arising from a business combination		-453,411	-	-	-
(Gain) unrealised loss on exchange		2,405	-93,677	74,995	-23,350
Interest on change in proportion of holding in subsidiary		-1,477	-	-	-
Loss on capital reduction of subsidiaries (share of profit from liquidation of subsidiaries)		-	-	-170	4,084
Share of profit of associates	10	-1,591,498	-1,161,873	-	-
Income tax expense	28	2,538,942	217,549	518,750	24,006
		17,672,265	9,602,793	6,203,352	4,522,258

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

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

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Changes in operating assets and liabilities</i>				
Accounts receivable - trade and others	1,011,224	-1,267,954	-497,261	-383,682
Inventories	3,029,713	-1,804,457	846,343	181,088
Other current assets	-309,210	-390,528	-58,191	27,364
Other non-current assets	3,471	51,991	7,233	27,687
Accounts payable - trade and others	994,294	510,544	-1,084,459	954,952
Other current liabilities	655,947	153,671	249,852	117,465
Income tax paid	-718,177	-406,944	-30,886	-18,401
Net cash provided by operating activities	22,339,527	6,449,116	5,635,983	5,428,731
<i>Cash flows from investing activities</i>				
Interest received	57,208	85,120	1,086,145	1,290,885
Dividends received	694,608	407,626	2,010,975	729,617
Decrease (increase) in short-term loans to subsidiaries	-	-	6,609,655	-2,248,450
Purchase of investments	-1,133,257	-267,103	-2,708,129	-804,673
Sale of investments	-	2,254	54,202	-
Sale of land held for future projects	560	-	-	-
Proceeds from collection on receivable from sale of investment	-	-	179,200	-
Decrease (increase) in long-term loans to subsidiaries	-	-	-6,086,259	861,848
Proceeds from collection on long-term receivable from related company for sale of investment	266,104	259,987	-	-
Purchase of property, plant and equipment	-4,217,835	-5,257,935	-1,009,193	-2,437,054
Sale of property, plant and equipment	85,585	78,092	57,336	13,559
Purchase of intangible assets	-48,523	-124,325	-6,213	-15,217
Sale of intangible assets	-	11	4	6

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Proceeds from the reduction of share capital / liquidation of subsidiaries		-	-	2,211	160,433
Net cash outflow an acquisition of subsidiaries	4	-621,270	-	-	-
Net cash provided by (used in) investing activities		-4,916,820	-4,816,273	189,934	-2,449,046
<i>Cash flows from financing activities</i>					
Interest paid		-2,022,381	-2,256,405	-1,411,451	-1,255,537
Increase (decrease) in short-term borrowings from financial institutions		-12,051,529	1,003,903	-1,965,066	-1,874,748
Decrease in notes payable		-2,649,430	-1,350,162	-2,649,430	-1,350,162
Increase (decrease) in short-term borrowings from subsidiaries		-	-	13,900	(9,400)
Decrease in liabilities under finance leases		-21,502	-35,004	-337	-2,876
Proceeds from long-term borrowings from financial institutions		5,299,163	1,275,916	5,000,000	-
Repayment of long-term borrowings from financial institutions		-733,767	-1,237,726	-	-
Proceeds from issue of debentures		9,400,000	6,000,000	9,400,000	6,000,000
Repayment of debentures		-4,700,000	-2,000,000	-4,700,000	-2,000,000
Payment of financial transaction costs		-99,841	-55,085	-37,492	-11,631
Proceeds from issue of incremental ordinary shares of subsidiary		44	-	-	-
Payment of liquidated company to minority interests		-2,124	-	-	-
Dividends paid of the Company - net of dividends paid for treasury shares held by subsidiaries		-2,284,840	-1,186,534	-2,396,639	-1,240,789
Dividends paid to minority interests		-43,910	-39,799	-	-
Purchase of treasury shares	21	-232,807	-1,396,018	-232,807	-1,396,018
Net cash provided by (used in) financing activities		-10,142,924	-1,276,914	1,020,678	-3,141,161

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

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

Statements of cash flows

For the years ended 31 December 2009 and 2008

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<i>(in thousand Baht)</i>					
Net increase (decrease) in cash and cash equivalents		7,279,783	355,929	6,846,595	-161,476
Cash and cash equivalents at the beginning of year		3,390,146	2,906,476	404,444	565,920
Effect of exchange rate changes on balances held in foreign currencies		-153,814	127,741	-	-
Cash and cash equivalents at end of year		10,516,115	3,390,146	7,251,039	404,444
Supplemental disclosures of cash flows information:					
Cash and cash equivalents					
These consisted of:					
Cash and cash equivalents	6	10,522,692	3,452,904	7,256,741	407,089
Overdrafts	18	-6,577	-62,758	-5,702	-2,645
Net		10,516,115	3,390,146	7,251,039	404,444

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisition
5	Related party transactions and balances
6	Cash and cash equivalents
7	Accounts receivable - trade and others
8	Inventories
9	Investments in subsidiaries
10	Investments in associates
11	Investments in related companies
12	Investments in other companies
13	Land held for future projects
14	Property, plant and equipment
15	Intangible assets
16	Restricted deposits at financial institutions
17	Deferred income tax
18	Interest-bearing liabilities
19	Accounts payable - trade and others
20	Share capital
21	Treasury shares and treasury shares reserve
22	Additional paid-in capital and reserves
23	Segment information
24	Selling expenses
25	Administrative expenses
26	Employee benefit expenses
27	Finance costs
28	Income tax expense
29	Promotional privileges
30	Basic earnings per share
31	Dividends
32	Financial instruments
33	Commitments with non-related parties
34	Contingent liabilities
35	Thai Accounting Standards not yet adopted
36	Reclassification of accounts

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the executive directors on 19 February 2010.

1 General information

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

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

The parent company of the Company and subsidiaries (together referred to as the “Group”) is Charoen Pokphand Group Co., Ltd. which is incorporated in Thailand.

The principal businesses of the Group are operating in agro-industrial and integrated food businesses. The Group’s business operations are located throughout Thailand and overseas. The businesses are divided into 2 main segments as follows:

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

The two main businesses are vertically integrated, sourcing raw materials for animal feed production, manufacturing animal feed, breeding animals, farming animals for commercial purposes, processing meat, producing ready-to-eat food products, and selling their products to both domestic and overseas markets. The Group’s main products are divided into 3 main categories as follows:

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

Details of the Company’s subsidiaries as at 31 December 2009 and 2008 are as follows:

Name of the entity		Type of business	Country of incorporation	Ownership interest (%)	
				2009	2008
<i>Livestock business</i>					
<i>Direct subsidiaries</i>					
1)	Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution and broiler integration	Thailand	99.44	99.44
2)	Bangkok Agro-Industrial Products Public Company Limited	Animal feedmill and livestock farming	Thailand	99.98	99.90
3)	Bangkok Food Products Co., Ltd.	Animal feedmill, livestock farming and food processing plant	Thailand	99.99	99.99
4)	Charoen Pokphand Northeastern Public Company Limited	Animal feedmill and livestock farming	Thailand	99.61	99.61
5)	Charoen Pokphand Industry Co., Ltd.	Animal feedmill and livestock farming	Thailand	99.99	99.99
6)	C.P. Agro-Industry Co., Ltd.	Livestock farming	Thailand	99.99	99.99
7)	C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
8) B.P. Food Products Co., Ltd.	Animal feedmill and livestock farming	Thailand	99.99	99.99
9) Bangkok Farm Co., Ltd. ⁽¹⁾	Livestock farming and processing plant	Thailand	99.99	99.99
10) Rajburi Foods Co., Ltd.	Animal feedmill and livestock farming	Thailand	99.99	99.99
11) Universal Food and Marketing Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
12) International Pet Food Co., Ltd.	Pet food production and distribution	Thailand	99.99	99.99
Direct and indirect subsidiaries				
1) CPF Food Products Co., Ltd.	Broiler chicken integration	Thailand	99.99	99.99
2) C.P. Standart Gida Sanayi ve Ticaret A.S.	Chicken integration	Turkey	100.00	100.00
Indirect subsidiaries				
1) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
2) CPF Premium Foods Co., Ltd. (formerly CP-Yonekyu Co., Ltd.)	Food processing plant	Thailand	99.99	75.00
3) CPF Logistics Co., Ltd.	Transportation services	Thailand	99.99	99.99
4) C.P. Food Products Co., Ltd.	Restaurant	Thailand	99.99	99.99
5) Arbor Acres (Taiwan) Co., Ltd. *	Livestock farming	Taiwan	16.21	-
6) CPF Food Trading Co., Ltd. (formerly C.P. Food Product (Shanghai) Co., Ltd.)	Importer and distributor of processed meat and ready meals	The People's Republic of China	100.00	100.00
7) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.61	99.61
8) Charoen Pokphand (USA), Inc. ⁽²⁾	Broiler chicken integration (operations wound up in March 2004)	United States of America	99.97	99.97
9) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. *	Chicken integration and livestock farming	Taiwan	32.41	-
10) Charoen Pokphand Foods (Overseas) LLC.	Animal feedmill and livestock farming	Russia	99.99	99.99
11) Charoen Pokphand (Taiwan) Co., Ltd. *	Importer and distributor feedstuff additives and animal vaccines	Taiwan	29.17	-
12) CP Foods (UK) Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
13) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
14) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	52.00	52.00
15) CPF Tokyo Co., Ltd.	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
16) Fusion Abbey Park Limited (formerly Abbey Park Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
17) Fusion Brothwood Limited (formerly Brothwood Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
18) Fusion Calis Limited (formerly Calis Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
19) Fusion Carnoustie Limited (formerly Carnoustie Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
20) Fusion Dalaman Limited (formerly Dalaman Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
21) Fusion Dormington Limited (formerly Dormington Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
22) Fusion Driscoll Limited (formerly Driscoll Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
23) Fusion Everton Limited (formerly Everton Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
24) Fusion Exning Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
25) Fusion Fethiye Limited (formerly Fethiye Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
26) Fusion Gatley Limited (formerly Gatley Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
27) Fusion Gocek Limited (formerly Gocek Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
28) Fusion Haddenham Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
29) Fusion Haverhill Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
30) Fusion Hawstead Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
31) Fusion Head Street Limited (formerly Head Street Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
32) Fusion Kaitala Limited (formerly Kaitaia Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
33) Fusion Kroma Limited (formerly Kroma Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
34) Fusion Krone Limited (formerly Krone Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
35) Fusion Lidgate Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
36) Fusion Littleworth Limited (formerly Littleworth Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
37) Fusion Madeley Limited (formerly Madeley Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
38) Fusion Newlands Limited (formerly Newlands Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
39) Fusion Niamh Limited (formerly Niamh Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
40) Fusion Pershore Limited (formerly Pershore Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
41) Fusion Priest Lane Limited (formerly Priest Lane Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
42) Fusion Samui Limited (formerly Samui Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
43) Fusion Saxham Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
44) Fusion Soham Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
45) Fusion Stowmarket Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
46) Fusion Swaffham Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
47) Fusion Thetford Limited	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	-
48) Fusion Turgay Limited (formerly Turgay Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
49) Fusion Uzumlu Limited (formerly Uzumlu Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
50) Fusion Wadborough Limited (formerly Wadborough Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
51) Fusion Wellington Limited (formerly Wellington Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
52) Fusion Whistler Limited (formerly Whistler Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
53) Fusion Yamac Limited (formerly Yamac Foods Limited)	Importer and distributor of processed meat and ready meals	United of Kingdom	52.00	52.00
54) Lianyungang Chia Tai Feed Co., Ltd. *	Animal feedmill	The People's Republic of China	22.69	-
55) Taiwan Sizzler Co., Ltd. *	Restaurant	Taiwan	32.41	-
Aquaculture business				
Direct subsidiaries				
1) Chanthaburi Aquaculture Farm Co., Ltd. ⁽³⁾	Shrimp farming	Thailand	99.99	99.99
2) Seafoods Enterprise Co., Ltd. ⁽⁴⁾	Shrimp processing plant	Thailand	99.99	99.99
3) Shrimp Improvement System (Thailand) Co., Ltd.	Shrimp hatchery business (registered the completeness of liquidation in year 2009)	Thailand	-	51.00
4) Pokphand Aquatech Co., Ltd.	Aquatic feed production and distribution and aquaculture farm	Thailand	99.99	99.99
5) C.P. Aquaculture (Beihai) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	The People's Republic of China	100.00	100.00
6) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	The People's Republic of China	100.00	100.00
7) C.P. Aquaculture (Hainan) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	The People's Republic of China	100.00	100.00
8) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00
9) Calibre Nature (M) Sdn. Bhd.	Investment in aquaculture integration business	Malaysia	100.00	100.00
10) Charoen Pokphand Foods Philippines Corporation	Shrimp hatchery business	Philippines	100.00	100.00
11) CP Foods West, Inc.	Importer and distributor of food products	United States of America	100.00	100.00
Direct and indirect subsidiaries				
1) Thai Prawn Culture Center Co., Ltd. ⁽³⁾	Shrimp farming and processing plant	Thailand	99.90	99.89
2) Klang Co., Ltd. ⁽⁴⁾	Shrimp processing plant	Thailand	99.99	99.99
3) Trad Prawn Culture Co., Ltd. ⁽³⁾	Shrimp farming	Thailand	99.93	99.91
4) Savee Farming Co., Ltd. ⁽³⁾	Shrimp farming	Thailand	99.87	99.84
5) Charoen Pokphand (India) Private Limited	Feed production and farming	India	99.99	71.20
Indirect subsidiaries				
1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	100.00	100.00
2) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	100.00	100.00

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
<i>Other businesses</i>				
<i>Direct subsidiaries</i>				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
<i>Indirect subsidiaries</i>				
1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	-
2) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda Islands	100.00	-
3) Chia Tai Lianyungang Co., Ltd. *	Investment	Hongkong	32.41	-
4) Chun Ta Investment Co., Ltd.	Investment	Taiwan	100.00	-
5) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	-
6) Forward Pass Limited	Investment	British Virgin Islands	100.00	-
7) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	-
8) Plenty Type Limited *	Investment	Cayman Islands	32.41	-
9) Ta Chung Investment Co., Ltd.	Investment	Taiwan	100.00	-

(1) Transferred the principal activity, food processing, to CPF Food Products Co., Ltd.

(2) In 2009 the Company sold all investment in Charoen Pokphand (USA), Inc. to CPF Investment Limited.

(3) In the process of liquidation

(4) Transferred the principal activities, shrimp farming and processing plant, to the Company

* The Company has the power to govern those companies.

2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The Company and local subsidiaries have adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009, which are relevant to their operations, and effective for accounting periods beginning on or after 1 January 2009. These consist of:

TAS 36 (revised 2007) *Impairment of Assets*

TFRS 5 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations*

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance for Leasehold Right (effective on 26 June 2009)

Accounting Guidance for Business Combination under Common Control

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The adoption of these revised TAS and TFRS and accounting guidance does not have any material impact on the consolidated and separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS and TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS, which are relevant to the Company's and local subsidiaries, are disclosed in note 35 to financial statements.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest million unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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

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

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

Note 4	Acquisition
Notes 9 to 15	Measurement of the recoverable amounts of cash-generating units containing goodwill
Note 28	Utilisation of tax losses
Note 32	Valuation of financial instruments

The financial statements of all subsidiaries and associates included in the preparation of the consolidated financial statements for the years ended 31 December 2009 and 2008 were audited by the Company's auditors, except for the financial statements for the years then ended of certain foreign subsidiaries and associates which were audited by other auditors. Financial information audited by other auditors are as follows:

	Consolidated financial statements	
	2009	2008
	<i>(in million Baht)</i>	
As at 31 December		
Total assets of subsidiaries	19,525	12,263
Direct and indirect investments in associates	3,583	3,274
Total	23,108	15,537
For the years ended 31 December		
Total revenues of subsidiaries	34,386	27,174
Share of profit of associates	425	319
Share of loss of associates	-	(14)
Total	34,811	27,479

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

3 Significant accounting policies

(a) Basis of consolidation

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

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If subsidiaries of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group’s share of the profit or loss and the transactions directly recorded to equity, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

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

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

Foreign entities

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

Goodwill arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates.

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

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

Where monetary items, in substance, form part of the Group's net investment in a foreign entity, which settlement is neither planned nor likely to occur in the foreseeable future. Foreign exchange differences arising on such monetary items and related hedges are recognised directly in a separate component of equity until disposal of the investment.

(c) *Derivative financial instruments*

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

Derivative financial instruments are recognised initially at fair value and recognition of any resultant gain or loss depends on the nature of the item being hedged.

(d) *Hedging*

Hedge of future foreign currency transactions

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

For hedges of anticipated future transactions, the Group recognises gains and losses on forward exchange contracts and the related forward premium/discount as expenses or income in the statement of income only when such transactions are completed.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Hedge of interest rates

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

(e) Cash and cash equivalents

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

Deposits that have a restriction on use are presented separately in the account “Restricted deposits at financial institutions” under the caption “Non-current assets” in the balance sheet.

(f) Trade and other accounts receivable

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

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

(g) Inventories

Raw materials, work in progress and finished goods

Finished goods, pigs, chicken and ducks for sale and raw materials are valued principally at the lower of average cost and net realisable value.

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

Breeding pigs, chicken, duck and others and milking cows are valued at cost less amortisation.

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

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

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

(h) Investments

Investments in subsidiaries and associates

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Investments in other equity securities

Investments in marketable equity securities that are non-subsiidiaries and/or non associates, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

Equity securities of related and other companies that are non-subsiidiaries and/or non-associates, which are not marketable, held as “General investments” are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income. In case that the term of proceeds from sale is made in installments in a period longer than one fiscal year, the gain resulting from the difference and the effect of related accounts reversal is recorded as a deferred gain in the reporting date. The deferred gain will be recognised in the statement of income upon receipt of the proceeds in full.

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

(i) *Property, plant and equipment*

Owned assets of the Group

Land using for operation and for future projects are stated at their revalued amounts. Land acquired after the latest revaluation was made is stated at cost less impairment losses.

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

Leased assets

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

Revalued assets

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Any increase in value, on revaluation, is credited to equity under the heading “Unrealised surpluses (deficits)” unless it offsets a previous decrease in value recognised in the statement of income in respect of the same asset.

A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in equity in respect of the same asset.

Upon disposal of a revalued asset, any related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation

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

Utilities system	3 - 40	years
Buildings and constructions	3 - 61	years
Building improvements and leasehold improvements	2 - 30	years
Water and electricity systems	5 - 30	years
Machinery and equipment	2 - 16	years
Furniture, fixtures and office equipment	3 - 18	years
Vehicles	2 - 11	years

No depreciation is provided on assets under construction and installation.

(j) Intangible assets

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Group’s share of the identifiable net assets acquired over the cost of acquisition.

The Group has changed its accounting policy for goodwill with effect from 1 January 2008 as follow:

Goodwill and negative goodwill acquired prior to 1 January 2008 are stated at cost less accumulated amortisation and impairment losses. Goodwill carried in the balance sheet as at 31 December 2007 was brought forward to 1 January 2008 and presented at net book value as the deemed cost of the goodwill by eliminating the carrying amount of the related accumulated amortisation with a corresponding decrease in goodwill. Negative goodwill in the balance sheet carried in the financial statements as at 31 December 2007 is derecognised by credit to the carrying amount of the beginning balance of retained earnings as at 1 January 2008.

Goodwill and negative goodwill acquired on or after 1 January 2008; goodwill is stated at cost less accumulated impairment losses. In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is tested for impairment as described in note 3 (k) to the financial statements. Negative goodwill is recognised immediately in the statement of income.

Other intangible assets

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Amortisation

Amortisation is charged to the statement of income on a straight line basis from the date that intangible assets, other than goodwill, are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortised but are systematically tested for impairment at each reporting date. The estimated useful lives are as follows:

Development cost of software applications	3 - 10	years
Software licenses	3 - 15	years
Leasehold right (over the lease period)	3 - 50	years

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of income as incurred.

(o) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the obligation is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Treasury share

Share repurchase program for financial management

Treasury shares are recognised initially at cost and presented as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount to the cost of shares sold back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity ("Surplus on treasury shares"). Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares and the reserve for treasury shares are credited at the equivalent amount to the cost of shares sold back to retained earnings.

Ordinary shares of the Company held by subsidiaries

The Company's ordinary shares held by subsidiaries, which are acquired on the acquisition date, are recognised at fair value and treated similar to treasury shares as a deduction in the equity in the consolidated financial statements. When the ordinary shares held by the subsidiaries are disposed, the Company will recognise the gain or loss net of tax from the disposal as surplus or deficit under the equity in the consolidated financial statements.

(q) Revenue

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Sale of goods

Revenue from sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income

Rental income from operating lease contract is recognised in the statement of income on a straight line basis over the term of the lease.

Other income

Other operating income and interest income are recognised in the statement of income on the accrual basis. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

(r) Expenses

Operating leases

Lease payment made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease.

Finance costs

Interest and expenses incurred from financing are charged to the statement of income for the period on the accrual basis, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The interest component of finance lease payments is recognised as finance costs in the statement of income using the effective interest rate method.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity.

Current tax

Current tax is calculated from the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Deferred tax

Deferred tax is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Acquisition

In September 2009 a foreign subsidiary (CPF Investment Limited (“CPFI”)) acquired controlling interest in 5 foreign companies (acquiree) at a cost of Baht 766 million. The foreign companies have direct and/or indirect shareholdings in a listed company of Taiwan Stock Exchange Corporation (Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (“CPE”)) in an aggregate of 75,194,164 shares, which represents 32.41% of the total issued ordinary shares of CPE.

As a consequence of CPFI’s acquisition, CPE became an indirect subsidiary of CPFI and the Company and the related negative goodwill of Baht 447 million has been recognised in the consolidated statement of income for the year ended 31 December 2009.

The acquiree’s net assets at the acquisition date at fair value comprised the followings:

	<i>Notes</i>	<i>(in million Baht)</i>
Cash and cash equivalents		145
Accounts receivable - trade and others		1,251
Inventories		1,607
Other current assets		177
Other non-current assets		129
Long-term investments		499
Property, plant and equipment	14	2,402
Intangible assets	15	22
Short-term borrowings from financial institutions		(914)
Accounts payable - trade		(628)
Other current liabilities		(289)
Provisions and others		(357)
Minority interests		(302)
Net identifiable assets and liabilities		3,742
Less net identifiable assets and liabilities of minority interests		(2,529)
Net identifiable assets and liabilities of the Company		1,213
Negative goodwill on acquisition		(447)
Consideration paid		766
Cash acquired		(145)
Net cash outflow		621

5 Related party transactions and balances

Related parties are those parties linked to the Group as major shareholders or by common major shareholders or controlling directors who have a significant control or influence. Transactions with related parties are conducted at prices referenced to market prices or at contractually agreed prices.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	The price list of the Group
Purchase of raw material and goods	The price list of the suppliers
Purchase and sale of property, plant and equipment	Fair value
Purchase and sale of investments	Fair value
Interest income / interest expense	Source of fund cost plus fund management expenses
Dividend income	Right to receive dividends
Rental and service fees	Standard rates as specified by the lessors or service provisions
Technical service fees	Rate per quantity of feed production / rate per sale value of animal feed
Insurance premium	Standard rates as specified by the insurers
Trademark license fee	Rate per sales value under trademark
Other income / other expenses	Standard service rates as specified by the providers

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
(a) Revenues				
Subsidiaries				
Sale of goods	-	-	20,028	22,045
Dividend income	-	-	6,309	726
Interest income	-	-	1,079	1,288
Gain on sale of equipment and others	-	-	3	-
Rental, service and other income	-	-	65	85
Associates and related companies				
Sale of goods	6,738	6,486	659	743
Interest income	18	38	-	-
Gain on sale of equipment and others	8	3	7	-
Dividend income	-	5	-	4
Rental, service and other income	110	87	4	4
(b) Expenses and others				
Parent company				
Purchase of raw materials and goods	4,850	4,920	1,983	1,926
Technical service fees	286	284	90	90
Trademark license fees	32	33	7	7
Subsidiaries				
Purchase of raw materials and goods	-	-	9,435	12,314
Loss on sale of investments	-	-	934	702
Software application fees	-	-	140	142
Rental and service fees	-	-	54	60
Training and seminar fees	-	-	31	34
Purchase of land, equipment and others	-	-	3	200
Interest and other expenses	-	-	3	4

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Associates and related companies				
Purchase of raw materials and goods	11,681	13,872	836	906
Rental and service fees	997	913	377	329
Construction costs of buildings, structures and others	216	438	90	273
Insurance premium	197	206	84	83
Purchase of equipment and others	116	104	61	45
Trademark license fees	30	30	-	-
Software application fees	27	26	-	-
Other expenses	720	528	116	87

Balances as at 31 December 2009 and 2008 with related parties were as follows:

(a) Accounts receivable - trade and others

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Subsidiaries				
C.P. Merchandising Co., Ltd.	-	-	1,725	837
Bangkok Produce Merchandising Public Company Limited	-	-	741	421
CPF Trading Co., Ltd.	-	-	351	223
CPF Food Products Co., Ltd.	-	-	259	210
Charoen Pokphand Foods (Overseas) LLC.	-	-	162	293
CPF Europe S.A.	-	-	132	86
Charoen Pokphand Northeastern Public Company Limited	-	-	121	378
C.P. Food Products, Inc.	-	-	89	157
Pokphand Aquatech Co., Ltd.	-	-	68	29
Bangkok Agro-Industrial Products Public Company Limited	-	-	66	284
C.P. Agro-Industry Co., Ltd.	-	-	57	167
B.P. Food Products Co., Ltd.	-	-	53	230
CP Foods (UK) Limited	-	-	40	17
CPF Tokyo Co., Ltd.	-	-	33	6
Other	-	-	37	73
Total	-	-	3,934	3,411
Associates				
CP ALL Public Company Limited	503	431	-	-
Counter Service Co., Ltd.	182	128	7	1
C.P. Retailing and Marketing Co., Ltd.	115	124	30	20
Other	16	27	10	17
Total	816	710	47	38

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(a) *Accounts receivable - trade and others (Continued)*

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>			
Related companies				
Charoen Pokphand Intertrade Singapore (Pte) Ltd.	205	271	5	3
C.P. Consumer Products Co., Ltd.	70	138	-	-
Perfect Companion Group Co., Ltd.	65	162	28	32
Advance Pharma Co., Ltd.	29	31	11	17
Chester's Food Co., Ltd.	22	36	-	9
Tacham Farm Co., Ltd.	18	17	-	-
C.P. Intertrade Co., Ltd.	3	123	-	16
Other	93	74	27	10
Total	505	852	71	87
Grand total	1,321	1,562	4,052	3,536

(b) *Accrued dividend income*

	Separate financial statements	
	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>	
Subsidiaries		
Charoen Pokphand Northeastern Public Company Limited	867	-
Bangkok Produce Merchandising Public Company Limited	776	-
C.P. Merchandising Co., Ltd.	740	-
Rajburi Foods Co., Ltd.	388	-
Pokphand Aquatech Co., Ltd.	380	-
Bangkok Food Products Co., Ltd.	353	-
B.P. Food Products Co., Ltd.	321	-
Charoen Pokphand Industry Co., Ltd.	283	-
CPF Food Products Co., Ltd.	115	-
Bangkok Agro-Industrial Products Public Company Limited	75	-
Total	4,298	-

Accrued dividend income of the Company as at 31 December 2009 were denominated entirely in Thai Baht.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(c) *Short-term loans*

	Separate financial statements			
	Outstanding balance		Average balance	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Subsidiaries				
Bangkok Food Products Co., Ltd.	1,175	2,920	2,653	2,552
CPF Food Products Co., Ltd.	1,100	1,160	914	1,283
Charoen Pokphand Foods (Overseas) LLC.	894	625	237	167
Bangkok Agro-Industrial Products Public Company Limited	850	3,690	3,048	3,690
Pokphand Aquatech Co., Ltd.	700	630	584	817
Charoen Pokphand Industry Co., Ltd.	535	1,248	1,076	1,207
Charoen Pokphand Northeastern Public Company Limited	490	2,240	1,907	2,198
Rajburi Foods Co., Ltd.	420	500	397	524
CPF Premium Foods Co., Ltd. (formerly CP-Yonekyu Co., Ltd.)	390	-	297	-
C.P. Agro-Industry Co., Ltd.	178	238	225	574
CPF IT Center Co., Ltd.	148	143	84	76
C.P. Aquaculture (Beihai) Co., Ltd.	141	148	145	141
B.P. Food Products Co., Ltd.	100	735	797	715
C.P. Aquaculture (Hainan) Co., Ltd.	99	104	102	100
International Pet Food Co., Ltd.	95	12	52	12
C.P. Aquaculture (Dongfang) Co., Ltd.	91	95	94	91
CPF Training Center Co., Ltd.	48	47	49	13
CPF Trading Co., Ltd.	10	110	102	18
Universal Food and Marketing Co., Ltd.	1	19	13	2
C.P. Standart Gida Sanayi ve Ticaret A.S.	-	521	-	43
CPF Investment Limited	-	42	14	20
Klang Co., Ltd.	-	18	7	32
Bangkok Produce Merchandising Public Company Limited	-	-	-	117
Total	7,465	15,245	12,797	14,392

The Company computes the average movement from the outstanding balances of short-term loans at the end of each month excluding accrued interest income.

The currency denomination of short-term loans to subsidiaries as at 31 December 2009 and 2008 were as follows:

	Separate financial statements	
	2009	2008
	<i>(in million Baht)</i>	
Functional currency	6,239	13,710
Foreign currency - United States Dollar	1,226	1,535
Total	7,465	15,245

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(d) Accrued interest income

	Separate financial statements	
	2009	2008
	<i>(in million Baht)</i>	
Subsidiaries	48	47

(e) Investment in subsidiaries

In the second quarter of 2009, the Company purchased the ordinary shares of an indirect foreign subsidiary (Charoen Pokphand (India) Private Limited (“CPI”)) from the parent company (Charoen Pokphand Group Co., Ltd.) and a related company (Perfect Companion Group Co., Ltd.) totaling Baht 357 million. As a result, the Company’s direct and indirect investments in CPI increase from 71.20% to 99.99% and had a negative goodwill of Baht 7 million.

In the forth quarter of 2009, the Company sold all of its investment in ordinary shares of a direct foreign subsidiary (Charoen Pokphand (USA), Inc. (“CP USA”)) totaling 27,108,587 shares (equivalent to 99.97% of issued shares of CP USA) a total value of Baht 9.3 million to a foreign subsidiary (CPF Investment Limited). The cost of disposed investment accounted for using the cost method was Baht 3,020 million, which was previously provided allowance for impairment losses at the whole amount. In this regards, the Company had a gain on sale of investment of Baht 9.3 million in the separate financial statements and the status of CP USA was changed to an indirect subsidiary of the Company.

(f) Long-term receivable from sale of investments

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Related company				
Union Growth Investments Limited	257	538	-	-
Less current portion	(257)	(269)	-	-
Net	-	269	-	-

Long-term receivable from sale of investments of the Group as at 31 December 2009 and 2008 was denominated entirely in United States Dollar.

(g) Long-term loans

	Separate financial statements			
	Outstanding balance		Average balance	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Subsidiaries				
Bangkok Agro-Industrial Products Public Company Limited	2,250	750	667	948
Bangkok Food Products Co., Ltd.	2,250	750	667	937
Charoen Pokphand Northeastern Public Company Limited	1,200	-	100	-
B.P. Food Products Co., Ltd.	1,000	-	83	-
Charoen Pokphand Industry Co., Ltd.	925	375	317	469

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(g) Long-term loans (Continued)

	Separate financial statements			
	Outstanding balance		Average balance	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Charoen Pokphand Foods (Overseas) LLC.	861	-	804	-
CPF Investment Limited	679	312	453	299
C.P. Standart Gida Sanayi ve Ticaret A.S.	497	-	511	-
Bangkok Produce Merchandising Public Company Limited	125	375	250	458
Charoen Pokphand (USA), Inc.	103	142	114	136
C.P. Agro-Industry Co., Ltd.	25	75	50	94
C.P. Aquaculture (Beihai) Co., Ltd.	-	-	-	16
Total	9,915	2,779	4,016	3,357
<i>Less current portion</i>	<i>(2,510)</i>	<i>(1,692)</i>		
Net	7,405	1,087		

The Company computes the average movement from the outstanding balances of long-term loans at the end of each month excluding accrued interest income.

The currency denomination of long-term loans as at 31 December 2009 and 2008 were as follows:

	Separate financial statements	
	2009	2008
	<i>(in million Baht)</i>	
Functional currency	7,775	2,325
Foreign currency - United States Dollar	2,140	454
Total	9,915	2,779

(h) Accounts payable - trade and others

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Parent company				
Charoen Pokphand Group Co., Ltd.	153	129	40	28
Subsidiaries				
Bangkok Produce Merchandising Public Company Limited	-	-	71	1,296
Bangkok Agro-Industrial Products Public Company Limited	-	-	68	74
Bangkok Food Products Co., Ltd.	-	-	54	68
B.P. Food Products Co., Ltd.	-	-	31	21
Pokphand Aquatech Co., Ltd.	-	-	30	80

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(h) Accounts payable - trade and others (Continued)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>			
Charoen Pokphand Northeastern Public Company Limited	-	-	16	33
Rajburi Foods Co., Ltd.	-	-	11	24
C.P. Agro-Industry Co., Ltd.	-	-	10	4
CPF Food Products Co., Ltd.	-	-	4	20
Other	-	-	12	21
Total	-	-	307	1,641
Associates				
CP ALL Public Company Limited	35	6	-	-
C.P. Retailing and Marketing Co., Ltd.	35	13	-	1
Arbor Acres Thailand Co., Ltd.	14	4	-	4
C.P. Vietnam Livestock Corporation	9	34	5	-
Other	13	16	4	2
Total	106	73	9	7
Related companies				
True Leasing Co., Ltd.	75	62	35	29
K.S.P. Equipment Co., Ltd.	58	38	18	16
C.P. Intertrade Co., Ltd.	48	232	10	6
C.P. Trading Co., Ltd.	45	-	-	-
Ceneplex Co., Ltd.	42	18	31	15
Dynamic Transport Co., Ltd.	39	46	13	13
CNC International Co., Ltd.	38	46	-	-
Chia Tai Aquaculture (Zhuhai) Co., Ltd.	38	-	-	-
C.P. Poly-Industry Co., Ltd.	36	43	13	17
Advance Pharma Co., Ltd.	18	30	6	24
C.P. Packaging Industry Co., Ltd.	5	34	-	19
Other	167	181	32	29
Total	609	730	158	168
Grand Total	868	932	514	1,844

(i) Short-term borrowings

	Separate financial statements			
	Outstanding balance		Average balance	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>			
Subsidiaries				
Thai Prawn Culture Center Co., Ltd.	49	52	51	48
Savee Farming Co., Ltd.	20	20	20	10
Klang Co., Ltd.	17	-	2	-
Chanthaburi Aquaculture Farm Co., Ltd.	13	13	13	10
Seafoods Enterprise Co., Ltd.	9	9	9	29
Trad Prawn Culture Co., Ltd.	8	8	8	6
C.P. Food Products Co., Ltd.	-	-	12	-
Bangkok Farm Co., Ltd.	-	-	7	-
Total	116	102	122	103

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

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

Short-term borrowings of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

Balances and interest rates as at 31 December 2009 and 2008 were as follows:

	Consolidated / Separate financial statements					
	Balance with		Balance with		Average interest rate	
	fixed interest rate		float interest rate			
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>				<i>(%)</i>	
Short-term loans to subsidiaries	331	868	7,134	14,377	6.13	7.02
Long-term loans to subsidiaries	8,358	-	1,557	2,779	5.76	7.21
Long-term receivable from sale of investments	-	-	257	538	2.56	5.26
Short-term borrowings from subsidiaries	-	-	116	102	0.38	1.25

(j) Deferred gain on sale of investment

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Related company				
Union Growth Investments Limited	399	399	-	-

As at 31 December 2009 and 2008 the Group had commitments with related parties as follows:

(a) Capital commitments

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, purchase of machinery and others	5	16	1	15

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(b) Commitments under operating lease and service agreements

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Within one year	639	505	293	209
After one year but within five years	686	530	217	177
After five years	112	84	-	-
Total	1,437	1,119	510	386

The Company and certain subsidiaries have lease agreements with related parties covering office premises (including facilities service agreement), land, farms and vehicles for periods of 1 to 9 years, expiring during 2010 to 2017.

(c) Other commitment

As at 31 December 2009 a subsidiary had a commitment under a computer system service agreement with a related company of Baht 27 million per annum (2008: Baht 26 million per annum). This agreement shall be in effect for a period of 5 years expiring in 2013.


As at 31 December 2009 the Group had the following significant agreements with related parties as follows:

(a) Technical service agreements

The Company and certain subsidiaries hire 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 is calculated from the feed production quantity, dependent upon the type of feed as stipulated in the agreements to CPG. The minimum fee ranges approximately Baht 0.1 million to Baht 1.3 million per month. This agreement shall be in effect for a period of 3 years expiring in 2010.

In addition, the two foreign subsidiaries entered into agreements to obtain the technical service assistance relating to animal feed manufacturing from CPG. The foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms and conditions stipulated in the agreements.

(b) Trademark agreement

The Group 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 is committed 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. This agreement shall be in effect since 1 January 2009 to 31 December 2011.

A subsidiary entered into an agreement with a related company (Star Marketing Co., Ltd. (STAR)) for the right to use all current trademarks of STAR. In this regard, the subsidiary is committed to pay a fee computed on sales under the trademarks. This agreement shall be in effect for a period of 5 years expiring in 2012.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(c) Other agreements

In 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 8 installments: consists of USD 2,325,000 in April and October 2007 and USD 3,875,000 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 terms 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 the 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.

In 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 of the associate amounting to Baht 399 million in the account "Deferred gain on sale of investment" under the caption "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 consolidated statement of income until receipt of the proceeds in full in October 2010.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Cash at financial institutions and on hand	9,155	3,278	6,257	407
Highly liquid short-term investments	1,368	175	1,000	-
Total	10,523	3,453	7,257	407

The currency denomination of cash and cash equivalents as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Functional currencies of each company in the Group	10,137	3,046	7,257	407
Foreign currencies				
- United States Dollar	196	370	-	-
- Pound Sterling	108	2	-	-
- Euro	59	35	-	-
- Other	23	-	-	-
Total	10,523	3,453	7,257	407

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

7 Accounts receivable - trade and others

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in million Baht)</i>			
Related parties	5	1,321	1,562	4,052	3,536
Other parties		13,445	12,881	3,120	3,306
Total		14,766	14,443	7,172	6,842
<i>Less</i> allowance for doubtful accounts		(405)	(328)	(9)	(13)
Net		14,361	14,115	7,163	6,829
Allowance (reversal of allowance) for doubtful accounts for the year ended 31 December					
		77	(53)	(4)	7

The outstanding balances of the problem accounts receivable - trade and others as at 31 December 2009 and 2008 classified by aging were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<i>(in million Baht)</i>				
Periods over credit terms:				
Over 3 months to 6 months	25	5	-	4
Over 6 months to 12 months	33	12	3	1
Over 12 months	301	307	10	9
Total	359	324	13	14

The currency denomination of accounts receivable - trade and others as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<i>(in million Baht)</i>				
Functional currencies of each company in the Group	12,053	11,868	5,402	5,152
Foreign currencies				
- United States Dollar	1,532	1,652	916	1,357
- Won	306	220	54	82
- Singapore Dollar	202	239	4	2
- Euro	141	43	584	199
- Ruble	-	-	101	-
- Other	127	93	102	37
Total	14,361	14,115	7,163	6,829

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Raw materials	8,587	9,303	2,334	2,830
Chemicals and supplies	582	588	188	197
Work in progress	8,462	8,735	1,641	1,835
Breeding pigs, chicken, duck and others and milking cows, net	2,423	2,370	321	352
Finished goods	5,099	5,836	1,158	1,300
Inventories in transit	1,287	1,120	45	20
Total	26,440	27,952	5,687	6,534
Less allowance for decline in value of inventories	(156)	(64)	(2)	(7)
Net	26,284	27,888	5,685	6,527

The cost of inventories which is recognised as an expense and presented in the account “Cost of sale of goods” in the statement of income for the year ended 31 December 2009 amounted to Baht 135,871 million (2008: Baht 135,738 million) for the consolidated financial statements and Baht 46,321 million (2008: Baht 48,911 million) for the separate financial statements.

9 Investments in subsidiaries

Movements of investments in subsidiaries during the years ended 31 December 2009 and 2008 were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in million Baht)</i>			
At 1 January		-	-	17,990	17,295
Acquisitions / additional investments		-	-	2,708	804
Disposals		-	-	(4,008)	-
Proceeds from capital reduction / liquidation of subsidiaries		-	-	(2)	(109)
Reversal of allowance for impairment	5	-	-	3,020	-
At 31 December		-	-	19,708	17,990

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 December 2009 and 2008, and dividend income for the years then ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)		(in million Baht)									
Non-marketable securities												
Bangkok Produce												
Merchandising Public												
Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	1,089	224
Bangkok Agro-Industrial												
Products Public Company												
Limited	99.98	99.90	1,500	300	2,981	1,781	-	-	2,981	1,781	75	-
Thai Prawn Culture Center												
Co., Ltd.	41.00	41.00	36	36	16	16	-	-	16	16	1	4
Bangkok Food Products												
Co., Ltd.	99.99	99.99	667	667	1,174	1,174	-	-	1,174	1,174	353	53
Klang Co., Ltd.	89.50	89.50	300	300	298	298	-	-	298	298	-	-
Chanthaburi Aquaculture												
Farm Co., Ltd.	99.99	99.99	10	10	33	33	-	-	33	33	-	14
Charoen Pokphand												
Northeastern Public												
Company Limited	99.61	99.61	300	300	1,282	1,282	-	-	1,282	1,282	867	-
Charoen Pokphand Industry												
Co., Ltd.	99.99	99.99	167	167	709	709	-	-	709	709	283	-
CPF Food Products Co., Ltd.	75.00	75.00	2,800	2,800	2,849	2,849	-	-	2,849	2,849	577	147
CPF Trading Co., Ltd.	-	99.99	-	706	-	706	-	-	-	706	-	-
CPF Training Center												
Co., Ltd.	99.99	99.99	20	15	20	15	-	-	20	15	-	-
CPF Premium Foods												
Co., Ltd. (formerly												
CP-Yonekyu Co., Ltd.)	-	75.00	-	350	-	262	-	-	-	262	-	-
CPF IT Center Co., Ltd.	99.99	99.99	190	190	190	190	-	-	190	190	-	67

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Details of investments in subsidiaries and dividend income (Continued)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)						(in million Baht)					
Seafoods Enterprise Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	-	-
C.P. Agro-Industry Co., Ltd.	99.99	99.99	400	400	547	547	-	-	547	547	-	-
C.P. Merchandising Co., Ltd	99.99	99.99	1,850	1,850	1,850	1,850	-	-	1,850	1,850	1,064	37
Trad Prawn Culture Co., Ltd.	30.00	30.00	9	9	3	3	-	-	3	3	-	4
B.P. Food Products Co., Ltd.	99.99	99.99	345	345	335	335	-	-	335	335	511	45
Shrimp Improvement System (Thailand) Co., Ltd.	-	51.00	-	4	-	2	-	-	-	2	1	-
Bangkok Farm Co., Ltd.	99.99	99.99	42	42	99	99	-	-	99	99	-	-
Pokphand Aquatech Co., Ltd	99.99	99.99	400	400	400	400	-	-	400	400	1,100	-
Universal Food and Marketing Co., Ltd.	99.99	99.99	60	40	60	40	-	-	60	40	-	-
Rajburi Foods Co., Ltd.	99.99	25.53	470	470	715	120	-	-	715	120	388	6
Savee Farming Co., Ltd.	33.80	33.80	18	18	6	6	-	-	6	6	-	1
International Pet Food Co., Ltd.	99.99	99.99	60	60	60	60	-	-	60	60	-	-
C.P. Aquaculture (Beihai) Co., Ltd.	100.00	100.00	236	236	236	236	-	-	236	236	-	-
C.P. Aquaculture (Dongfang) Co., Ltd.	100.00	100.00	144	144	144	144	-	-	144	144	-	-
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-
C.P. Food Products, Inc.	100.00	100.00	212	212	306	306	-	-	306	306	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	25.39	-	2,341	-	511	-	-	-	511	-	-	-
Calibre Nature (M) Sdn. Bhd.	100.00	100.00	1,278	1,278	1,280	1,280	-	-	1,280	1,280	-	124
Charoen Pokphand (USA), Inc.	-	99.97	-	1,148	-	3,020	-	(3,020)	-	-	-	-

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

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Details of investments in subsidiaries and dividend income (Continued)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)						(in million Baht)					
Charoen Pokphand Foods												
Philippines Corporation	100.00	100.00	37	37	37	37	-	-	37	37	-	-
Charoen Pokphand (India)												
Private Limited	28.80	-	548	-	357	-	-	-	357	-	-	-
CP Foods West, Inc.	100.00	100.00	110	110	110	110	-	-	110	110	-	-
CPF Investment Limited	100.00	100.00	1,724	1,724	1,724	1,724	-	-	1,724	1,724	-	-
Total					19,708	21,010	-	(3,020)	19,708	17,990	6,309	726

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The currency denomination of investments in subsidiaries as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Functional currencies of each company in the Group	-	-	14,877	14,027
Foreign currencies				
- United States Dollar	-	-	2,140	2,140
- Rigit	-	-	1,280	1,280
- Turkish Lira	-	-	511	-
- Renminbi	-	-	506	506
- Rupee	-	-	357	-
- Peso	-	-	37	37
Total	-	-	19,708	17,990

10 Investments in associates

Movements of investments in associates during the years ended 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
At 1 January	9,099	6,747	290	290
Share of profit of associates	1,591	1,162	-	-
Dividend income from associates	(681)	(388)	-	-
Currency translation differences	(242)	(122)	-	-
Acquisition / additional investments	737	267	-	-
Revaluation from equity in associates	52	1,433	-	-
At 31 December	10,556	9,099	290	290

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Details of investments in associates and dividend income

Investments in associates as at 31 December 2009 and 2008, and dividend income for the years then ended were as follows:

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)		(in million Baht)											
Marketable securities														
CP ALL Public Company Limited	26.11	25.25	4,493	4,493	2,669	1,932	6,457	5,207	-	-	6,457	5,207	681	388
Total					2,669	1,932	6,457	5,207	-	-	6,457	5,207	681	388
Non-marketable securities														
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	301	301	160	295	-	-	160	295	-	-
Ross Breeders Siam Co., Ltd.	49.99	49.99	70	70	35	35	71	73	-	-	71	73	-	-
Allianz C.P. General Insurance Co., Ltd.	24.46	24.46	300	300	74	74	141	128	-	-	141	128	-	-
Arbor Acres Thailand Co., Ltd.	49.99	49.99	4	4	2	2	143	122	-	-	143	122	-	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	175	175	458	439	-	-	458	439	-	-
C.P. Vietnam Livestock Corporation	29.18	40.00	1,493	864	291	291	1,840	1,597	-	-	1,840	1,597	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	49.66	49.64	353	353	176	176	1,286	1,238	-	-	1,286	1,238	-	-
Total					1,054	1,054	4,099	3,892	-	-	4,099	3,892	-	-
Grand total					3,723	2,986	10,556	9,099	-	-	10,556	9,099	681	388

The Company accounts for the investment in ordinary shares of an associate (CP ALL Public Company Limited), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2009 the fair value of this investment was Baht 28,993 million (2008: Baht 13,739 million).

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

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Details of investments in associates and dividend income (Continued)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)						(in million Baht)					
<i>Non-marketable securities</i>												
Allianz C.P. General Insurance Co., Ltd.	18.00	18.00	300	300	54	54	-	-	54	54	-	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	-	-	176	176	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	17.00	17.00	353	353	60	60	-	-	60	60	-	-
Total					290	290	-	-	290	290	-	-

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The currency denomination of investments in associates as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Functional currencies of each company in the Group	6,972	5,825	54	54
Foreign currencies				
- Dong	1,840	1,597	-	-
- Rigit	1,286	1,238	60	60
- Rupee	458	439	176	176
Total	10,556	9,099	290	290

11 Investments in related companies

Movements of investments in related companies during the years ended 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
At 1 January	1,007	1,531	144	680
Acquisition / additional investments	19	-	-	-
Disposals	-	-	-	(881)
Changes in fair value	174	(541)	-	345
Currency translation differences	(22)	17	-	-
At 31 December	1,178	1,007	144	144

Details of investments in related companies

Investments in related companies as at 31 December 2009 and 2008 were as follows:

	Ownership interest (both direct and indirect)		Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008	2009	2008
	<i>(%)</i>		<i>(in million Baht)</i>			
Marketable securities						
Equity securities held as available-for-sale						
- at fair value						
True Corporation Public Company Limited	1.75	3.02	1,280	1,280	-	-
Less changes in fair value			(862)	(1,036)	-	-
Net			418	244	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Details of investments in related companies (Continued)

	Ownership interest (both direct and indirect)		Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008	2009	2008
	(%)		(in million Baht)			
Non-marketable securities						
General investments						
- at cost						
CPPC Public Company Limited	6.58	6.58	110	110	55	55
C.P. Land Co., Ltd.	6.49	6.49	162	143	-	-
Vee Rum Choke Co., Ltd.	9.00	9.00	9	9	-	-
Ayudhya Allianz C.P. Life Public Company Limited	3.47	3.47	115	115	88	88
Chia Tai (Jilin) Co., Ltd.	9.99	9.99	5	5	-	-
Kinghill Limited	16.75	16.75	690	712	245	245
Total			1,091	1,094	388	388
Less allowance for impairment losses			(331)	(331)	(244)	(244)
Net			760	763	144	144
Total			1,178	1,007	144	144

The currency denomination of investments in associates as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in million Baht)			
Functional currencies of each company in the Group	727	534	143	143
Foreign currencies				
- United States Dollar	451	473	1	1
Total	1,178	1,007	144	144

12 Investments in other companies

Movements of investments in other companies during the years ended 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in million Baht)			
At 1 January	162	240	-	-
Changes in fair value	54	(80)	-	-
Currency translation differences	(4)	2	-	-
At 31 December	212	162	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Details of investments in other companies

Investments in other companies as at 31 December 2009 and 2008 were as follows:

	Ownership interest (both direct and indirect)		Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008	2009	2008
	(%)		(in million Baht)			
Marketable securities						
Equity securities held as available-for-sale - at fair value						
Siam Makro Public Company Limited	1.01	1.01	14	18	-	-
Add changes in fair value			198	144	-	-
Total			212	162	-	-
Other securities			7	7	7	7
Less allowance for impairment losses			(7)	(7)	(7)	(7)
Net			-	-	-	-
Total			212	162	-	-

Investment in other companies of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

13 Land held for future projects

	Consolidated financial statements	Separate financial statements
	(in million Baht)	
Cost / revaluation		
At 1 January 2008	1,361	116
Disposal	(3)	-
Transfers	(230)	(11)
At 31 December 2008	1,128	105
Disposal	(1)	-
Transfers	(6)	(6)
At 31 December 2009	1,121	99

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

14 Property, plant and equipment

	Consolidated financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
	<i>(in million Baht)</i>					
<i>Cost / revaluation</i>						
At 1 January 2008	11,437	27,088	26,863	3,652	3,445	72,485
Additions	209	310	636	249	3,856	5,260
Surplus on revaluation	-	224	-	-	-	224
Transfers	232	2,998	1,632	99	(4,725)	236
Disposals	(1)	(342)	(521)	(102)	-	(966)
Currency translation differences	(7)	(390)	(538)	(43)	(133)	(1,111)
At 31 December 2008	11,870	29,888	28,072	3,855	2,443	76,128
Additions	99	144	562	266	3,175	4,246
Business acquisitions	1,308	477	482	78	57	2,402
Transfers	7	1,761	1,396	118	(3,281)	1
Disposals	(4)	(131)	(449)	(218)	(10)	(812)
Currency translation differences	(7)	(94)	(113)	(13)	(97)	(324)
At 31 December 2009	13,273	32,045	29,950	4,086	2,287	81,641
<i>Accumulated depreciation</i>						
At 1 January 2008	-	(11,876)	(13,834)	(2,541)	-	(28,251)
Depreciation charge for the year	-	(1,676)	(2,378)	(449)	-	(4,503)
Disposals	-	292	458	97	-	847
Currency translation differences	-	126	320	39	-	485
At 31 December 2008	-	(13,134)	(15,434)	(2,854)	-	(31,422)
Depreciation charge for the year	-	(1,726)	(2,420)	(426)	-	(4,572)
Disposals	-	78	404	208	-	690
Currency translation differences	-	23	55	7	-	85
At 31 December 2009	-	(14,759)	(17,395)	(3,065)	-	(35,219)
<i>Net book value</i>						
Owned assets	11,870	16,754	12,638	956	2,443	44,661
Assets under finance leases	-	-	-	45	-	45
At 31 December 2008	11,870	16,754	12,638	1,001	2,443	44,706
Owned assets	13,273	17,286	12,555	1,009	2,287	46,410
Assets under finance leases	-	-	-	12	-	12
At 31 December 2009	13,273	17,286	12,555	1,021	2,287	46,422

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2009 amounted to Baht 18,151 million (2008: Baht 14,876 million).

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Separate financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
			<i>(in million Baht)</i>			
<i>Cost / revaluation</i>						
At 1 January 2008	3,542	10,954	10,635	1,092	1,886	28,109
Additions	248	269	323	61	1,535	2,436
Transfers	13	2,071	736	33	(2,837)	16
Disposals	-	(28)	(35)	(17)	-	(80)
At 31 December 2008	3,803	13,266	11,659	1,169	584	30,481
Additions	26	5	202	61	740	1,034
Transfers	7	493	468	42	(1,004)	6
Disposals	-	(67)	(170)	(47)	(7)	(291)
At 31 December 2009	3,836	13,697	12,159	1,225	313	31,230
<i>Accumulated depreciation</i>						
At 1 January 2008	-	(4,009)	(4,791)	(783)	-	(9,583)
Depreciation charge for the year	-	(891)	(1,008)	(137)	-	(2,036)
Disposals	-	11	23	15	-	49
At 31 December 2008	-	(4,889)	(5,776)	(905)	-	(11,570)
Depreciation charge for the year	-	(937)	(1,032)	(123)	-	(2,092)
Disposals	-	36	142	44	-	222
At 31 December 2009	-	(5,790)	(6,666)	(984)	-	(13,440)
<i>Net book value</i>						
Owned assets	3,803	8,377	5,883	264	584	18,911
At 31 December 2008	3,803	8,377	5,883	264	584	18,911
Owned assets	3,836	7,907	5,493	241	313	17,790
At 31 December 2009	3,836	7,907	5,493	241	313	17,790

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2009 amounted to Baht 5,833 million (2008: Baht 4,695 million).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

15 Intangible assets

	Consolidated financial statements				
	<u>Goodwill</u>	<u>Negative goodwill</u>	<u>Development cost of software applications</u>	<u>Other</u>	<u>Total</u>
	<i>(in million Baht)</i>				
<i>Cost</i>					
At 31 December 2007	1,538	(3,032)	137	408	(949)
Eliminate	(1,081)	-	-	-	(1,081)
Derecognise	-	3,032	-	-	3,032
At 1 January 2008	457	-	137	408	1,002
Additions	-	-	61	63	124
Transfers	-	-	(33)	28	(5)
Currency translation differences	-	-	-	4	4
At 31 December 2008	457	-	165	503	1,125
Additions	-	-	4	45	49
Business acquisitions	14	-	-	8	22
Transfers	-	-	1	4	5
Currency translation differences	-	-	-	(16)	(16)
At 31 December 2009	471	-	170	544	1,185
<i>Accumulated amortisation</i>					
At 31 December 2007	(1,081)	2,207	(49)	(102)	975
Eliminate	1,081	-	-	-	1,081
Derecognise	-	(2,207)	-	-	(2,207)
At 1 January 2008	-	-	(49)	(102)	(151)
Amortisation charge for the year	-	-	(17)	(44)	(61)
Impairment losses	(28)	-	-	-	(28)
At 31 December 2008	(28)	-	(66)	(146)	(240)
Amortisation charge for the year	-	-	(15)	(46)	(61)
At 31 December 2009	(28)	-	(81)	(192)	(301)
<i>Net book value</i>					
At 31 December 2008	429	-	99	357	885
At 31 December 2009	443	-	89	352	884

The gross amount of the Group's fully amortised intangible assets that was still in use as at 31 December 2009 amounted to 10 million (2008: Baht 8 million).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Separate financial statements		
	Development cost of software applications	Other	Total
	<i>(in million Baht)</i>		
Cost			
At 1 January 2008	5	31	36
Additions	12	3	15
Transfers	(10)	7	(3)
At 31 December 2008	7	41	48
Additions	-	6	6
Transfers	-	1	1
At 31 December 2009	7	48	55
Accumulated amortisation			
At 1 January 2008	-	(10)	(10)
Amortisation charge for the year	(1)	(4)	(5)
At 31 December 2008	(1)	(14)	(15)
Amortisation charge for the year	-	(5)	(5)
At 31 December 2009	(1)	(19)	(20)
Net book value			
At 31 December 2008	6	27	33
At 31 December 2009	6	29	35

The gross amount of the Company's fully amortised intangible assets that was still in use as at 31 December 2009 amounted to Baht 6 million (2008: Baht 5 million).

16 Restricted deposits at financial institutions

As at 31 December 2009 certain subsidiaries had restricted deposits at financial institutions totaling Baht 302 million in order to comply with conditions for using credit facilities of foreign financial institutions (2008: Baht 343 million).

17 Deferred income tax

Movements of deferred tax assets and liabilities during the years ended 31 December 2009 and 2008 were as follows:

	Consolidated financial statements			
	At 1 January 2009	Charged / Credited to:	Portion of subsidiary acquired during the year	At 31 December 2009
		Statement of income	Equity	
		<i>(in million Baht)</i>		
Deferred tax assets				
Impairment losses on investments	207	(9)	-	216
Equity loss in subsidiary	906	(906)	-	-
Tax losses	884	(313)	8	579
Other	284	1	25	314
Total	2,281	(1,227)	51	1,109

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Consolidated financial statements				
	At 1 January 2009	Charged / Credited to:		At 31 December 2009
		Statement of income	Equity	Portion of subsidiary acquired during the year
			<i>(in million Baht)</i>	
Deferred tax liabilities				
Portion of subsidiaries	(21)	-	-	(39)
Revaluation increment in land and equity in associates of the subsidiary on subsidiary acquisition date	(1,212)	-	-	-
Revaluation increase from changes in available-for-sale investment valuation	90	-	(56)	-
Revaluation increment in assets	(654)	13	-	-
Currency translation differences of financial statements of foreign associates	11	-	25	-
Share of profits of associates	(748)	(124)	-	-
Other	(156)	(9)	-	-
Total	(2,690)	(120)	(31)	(39)

Separate financial statements				
	At 1 January 2009	Charged / Credited to:		At 31 December 2009
		Statement of income	Equity	
			<i>(in million Baht)</i>	
Deferred tax assets				
Impairment losses on investments	1,035	(906)	-	129
Tax losses	-	387	-	387
Other	24	20	-	44
Total	1,059	(499)	-	560
Deferred tax liabilities				
Revaluation increment in land	(257)	-	-	(257)
Other	(13)	-	-	(13)
Total	(270)	-	-	(270)

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Consolidated financial statements				
	At 1 January 2008	Charged / Credited to:	Portion of subsidiary acquired during the year	At 31 December 2008
		Statement of income	Equity	
			<i>(in million Baht)</i>	
Deferred tax assets				
Impairment losses on investments	207	-	-	207
Differences of exchange rates from forward exchange contracts	9	(9)	-	-
Equity loss in subsidiary	906	-	-	906
Tax losses	555	329	-	884
Other	237	98	(51)	284
Total	1,914	418	(51)	2,281
Deferred tax liabilities				
Portion of subsidiaries	(21)	-	-	(21)
Revaluation increment in land and equity in associates of the subsidiary on subsidiary acquisition date	(1,212)	-	-	(1,212)
Revaluation increase from changes in available-for-sale investment valuation	129	-	(39)	90
Revaluation increment in assets	(662)	8	-	(654)
Currency translation differences of financial statements of foreign associates	7	-	4	11
Share of profits of associates	(425)	(91)	(232)	(748)
Other	(136)	(20)	-	(156)
Total	(2,320)	(103)	(267)	(2,690)
Separate financial statements				
	At 1 January 2008	Charged / Credited to:		At 31 December 2008
		Statement of income	Equity	
			<i>(in million Baht)</i>	
Deferred tax assets				
Impairment losses on investments	1,035	-	-	1,035
Other	25	(1)	-	24
Total	1,060	(1)	-	1,059
Deferred tax liabilities				
Revaluation increase from changes in available-for-sale investment valuation	103	-	(103)	-
Revaluation increment in land	(257)	-	-	(257)
Other	(4)	(9)	-	(13)
Total	(158)	(9)	(103)	(270)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

As at 31 December 2009 the Group had temporary differences arising from the unutilised tax losses carry forward which have not been recognised as deferred tax assets in the balance sheet totaling Baht 7,389 million (2008: Baht 6,971 million) because it is not probable that it will be able to utilise the tax benefit in the foreseeable future.

18 Interest-bearing liabilities

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		<i>(in million Baht)</i>			
Current					
Overdrafts		7	63	6	3
Promissory notes		250	3,430	-	1,100
Short-term borrowings from financial institutions		2,262	1,685	-	-
Packing credits		3,838	5,429	-	465
Liabilities under trust receipts		3,388	10,355	-	400
Total		9,745	20,962	6	1,968
Notes payable		-	2,673	-	2,673
Short-term borrowings from subsidiaries	5	-	-	116	102
Current portion of long-term debts					
Long-term borrowings		790	762	400	-
Debentures		5,500	4,700	5,500	4,700
Liabilities under finance leases		4	20	-	-
Total		6,294	5,482	5,900	4,700
Total current		16,039	29,117	6,022	9,443
Non-current					
Long-term debts					
Long-term borrowings		5,056	559	4,600	-
Debentures		21,700	17,800	21,700	17,800
Liabilities under finance leases		2	6	-	-
Total non-current		26,758	18,365	26,300	17,800
Grand total		42,797	47,482	32,322	27,243

The currency denomination of interest-bearing liabilities as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>			
Functional currencies of each company in the Group	41,799	45,803	32,322	27,068
Foreign currencies				
- United States Dollar	902	1,385	-	175
- Euro	96	294	-	-
Total	42,797	47,482	32,322	27,243

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Within one year	16,035	29,097	6,022	9,443
After one year but within five years	22,756	18,359	22,300	17,800
After five years	4,000	-	4,000	-
Total	42,791	47,456	32,322	27,243

The above interest-bearing liabilities are unsecured except liabilities under trust receipts. Under the terms of agreements covering the Group's liabilities under trust receipts, certain machinery, equipment and inventories have been released to the Group in trust for the financial institutions. The Group is accountable to the financial institutions for such machinery, equipment and inventories or the proceeds from their sale proceeds.

Notes payable

The above notes payable are short-term and transferable notes payable issued by the Company under the permission of the Securities and Exchange Commission to offer in general purposes within 3 years from the permission date starting from 20 March 2007 and 9 April 2008. The issued notes payable during year 2009 have a face value totaling Baht 1,700 million (2008: Baht 7,900 million) and the discount rates are ranging from 2.80% to 2.89% per annum (2008: 3.20% to 4.15% per annum). The Company settled during the year 2009 all notes payable, amounting to Baht 4,400 million (2008: Baht 9,300 million). As at 31 December 2008 the outstanding balance of notes payable presented at amortised cost amounting to Baht 2,673 million.

Long-term borrowings

Long-term borrowings have covenants indicated in the borrowing agreements. Under the terms of the borrowing agreements, the Group must comply with certain conditions and restrictions stipulated in the agreements such as maintaining debt to equity ratio at the rate not exceeding 2:1 etc.

Debentures

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Debentures #1/2004	-	3,500	-	3,500
Debentures #1/2005	2,000	2,000	2,000	2,000
Debentures #1/2006	3,800	5,000	3,800	5,000
Debentures #1/2007	6,000	6,000	6,000	6,000
Debentures #1/2008	6,000	6,000	6,000	6,000
Debentures #1/2009	8,400	-	8,400	-
Debentures #2/2009	1,000	-	1,000	-
Total	27,200	22,500	27,200	22,500
<i>Less current portion</i>	<i>(5,500)</i>	<i>(4,700)</i>	<i>(5,500)</i>	<i>(4,700)</i>
Net	21,700	17,800	21,700	17,800

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Debenture # 1/2004

On 17 November 2004 the Company issued Baht 6 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2.5 billion with the term of 3 years, fully repayable on 17 November 2007 and bearing interest at the fixed rate of 4.25% per annum.
- The second series of Baht 3.5 billion with the term of 5 years, fully repayable on 17 November 2009 and bearing interest at the fixed rate of 5.50% per annum.

The debentures have a credit rating of “A+” latest updated by TRIS Rating Co., Ltd. on 24 June 2008 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 16 December 2004 and 7 February 2005 respectively.

Debenture # 1/2005

On 16 June 2005 the Company issued Baht 4 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2 billion with the term of 3 years, fully repayable on 16 June 2008 and bearing interest at the fixed rate of 4.25% per annum.
- The second series of Baht 2 billion with the term of 5 years, fully repayable on 16 June 2010 and bearing interest at the fixed rate of 5.00% per annum.

The debentures have a credit rating of “A+” latest updated by TRIS Rating Co., Ltd. on 18 November 2009 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 30 June 2005 and 27 July 2005 respectively.

Debenture # 1/2006

On 5 July 2006 the Company issued Baht 5 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 1.2 billion with the term of 3 years, fully repayable on 5 July 2009 and bearing interest at the fixed rate of 6.30% per annum.
- The second series of Baht 3.8 billion with the term of 5 years, fully repayable on 5 July 2011 and bearing interest at the fixed rate of 6.90% per annum.

The debentures have a credit rating of “A+” latest updated by TRIS Rating Co., Ltd. on 18 November 2009 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 2 August 2006 and 9 August 2006 respectively.

Debenture # 1/2007

On 19 October 2007 the Company issued Baht 6 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3.5 billion with the term of 3 years, fully repayable on 19 October 2010 and bearing interest at the fixed rate of 4.25% per annum.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

- The second series of Baht 2.5 billion with the term of 5 years, fully repayable on 19 October 2012 and bearing interest at the fixed rate of 4.90% per annum.

The debentures have a credit rating of “A+” latest updated by TRIS Rating Co., Ltd. on 18 November 2009 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 19 October 2007 and 14 November 2007 respectively.

Debenture # 1/2008

On 15 August 2008 the Company issued Baht 6 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3 billion with the term of 3 years, fully repayable on 15 August 2011 and bearing interest at the fixed rate of 5.15% per annum.
- The second series of Baht 3 billion with the term of 5 years, fully repayable on 15 August 2013 and bearing interest at the fixed rate of 5.70% per annum.

The debentures have a credit rating of “A+” latest updated by TRIS Rating Co., Ltd. on 18 November 2009 and were registered with the Thai Bond Market Association on 15 August 2008.

Debenture # 1/2009

On 25 November 2009 the Company issued Baht 8.4 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2.2 billion with the term of 4 years, fully repayable on 25 November 2013 and bearing interest at the fixed rate of 3.90% per annum.
- The second series of Baht 3.2 billion with the term of 5 years, fully repayable on 25 November 2014 and bearing interest at the fixed rate of 4.30% per annum.
- The third series of Baht 3 billion with the term of 6 years, fully repayable on 25 November 2015 and bearing interest at the fixed rate of 4.80% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 18 November 2009 and were registered with the Thai Bond Market Association on 25 November 2009.

Debenture # 2/2009

On 22 December 2009 the Company issued Baht 1 billion unsubordinated and unsecured debenture in registered name form with the terms of 5 years 5 months and 8 days, fully repayable on 30 May 2015 and bearing interest at the fixed rate of 4.40% per annum.

The debenture was registered with the Thai Bond Market Association on 22 December 2009.

The Company must comply with the specific covenants such as to maintain debt to equity ratio in the semi-annual and annual consolidated and separate financial statements through the terms of debentures, etc.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

19 Accounts payable - trade and others

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		<i>(in million Baht)</i>			
Related parties	5	868	932	514	1,844
Other parties		<u>8,238</u>	<u>6,675</u>	<u>1,938</u>	<u>1,693</u>
Total		9,106	7,607	2,452	3,537

The currency denomination of accounts payable - trade and others as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<i>(in million Baht)</i>				
Functional currencies of each company in the Group	8,436	6,545	2,439	3,532
Foreign currencies				
- United States Dollar	530	964	9	1
- Other	140	98	4	4
Total	9,106	7,607	2,452	3,537

20 Share capital

		Consolidated financial statements / Separate financial statements			
		2009		2008	
	<i>Par value per share (in Baht)</i>	Number of shares	Baht	Number of shares	Baht
		<i>(in million)</i>			
Authorised					
At 1 January					
- ordinary shares	<i>1</i>	8,207	8,207	8,207	8,207
At 31 December					
- ordinary shares	<i>1</i>	8,207	8,207	8,207	8,207
Issued and paid-up					
At 1 January					
- ordinary shares	<i>1</i>	7,520	7,520	7,520	7,520
At 31 December					
- ordinary shares	<i>1</i>	7,520	7,520	7,520	7,520

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

21 Treasury shares and treasury shares reserve

Treasury shares as at 31 December 2009 and 2008 consist of:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht)</i>			
Share repurchase program for financial management	1,629	1,396	1,629	1,396
Ordinary shares of the Company held by subsidiaries	1,226	721	-	-
Total	<u>2,855</u>	<u>2,117</u>	<u>1,629</u>	<u>1,396</u>

Treasury shares and treasury shares reserve for financial management

At the board of directors' meeting of the Company held on 13 August 2008, the Company's directors resolved to approve the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Limited Company Act (No. 2) B.E. 2544 in the amount not exceeding Baht 3 billion. The number of ordinary shares to be repurchased is 751.99 million shares (par value of Baht 1 per share); equal to 10% of the total number of paid-up share capital of the Company. The Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 28 August 2008 to 27 February 2009. The board of directors shall determine the share resale procedures and period after 6 months but no later than 3 years from the completion date of share repurchase.

The Company repurchased a total of 69,427,300 ordinary shares during the period from 1 January 2009 to 27 February 2009, which was the last date for repurchase of the ordinary shares, for a total consideration of Baht 233 million (*for the year ended 31 December 2008: repurchased a total of 401,572,700 ordinary shares for a total consideration of Baht 1,396 million*), and during the same period the Company appropriated Baht 233 million from its retained earnings as a treasury shares reserve for the repurchased shares (*for the year ended 31 December 2008: Baht 1,396 million*).

As at 31 December 2009 the Company had total treasury shares of 471,000,000 shares (equal to 6.26% of the total number of paid-up share capital of the Company) for a total consideration of Baht 1,629 million (*2008: Baht 1,396 million*) and a treasury shares reserve as of the same date was Baht 1,629 million (*2008: Baht 1,396 million*).

Ordinary shares of the Company held by subsidiaries

In respect to the investment of a foreign subsidiary (CPF Investment Limited) (see note 4 to the financial statements), the ordinary shares of the Company held by subsidiaries increased by Baht 505 million. The increase was attributable to share held by an indirect foreign subsidiary (Plenty Type Limited), which is a subsidiary of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. This subsidiary has shareholdings in an aggregate of 64,000,000 ordinary shares or equivalent to 0.85% of the total number of paid-up share capital of the Company.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

22 Additional paid-in capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“Premium on ordinary shares”).

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company.

The premium on ordinary shares, legal reserve and treasury shares reserve are not available for dividend distribution.

23 Segment information

Segment information is presented in respect of the Group’s business and geographic segments as the primary and secondary formats respectively and are based on the Group’s management and internal financial reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, which are presented in “Total” column, mainly comprise interest or dividend, loans, borrowings and related finance costs, share of profit (loss) of associates, corporate assets and expenses and income tax expense.

Business segments

The Group comprises the following main business segments:

- Segment 1 : Livestock business
- Segment 2 : Aquaculture business

Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographic location of the assets.

The Group comprises the following main geographic locations:

- Segment 1 : Thailand
- Segment 2 : Europe
- Segment 3 : Asia
- Segment 4 : America
- Segment 5 : Other

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Business segments

Detail of the business segment financial information of the Group as at 31 December 2009 and 2008 and for the years then ended were as follows:

	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>					
Revenue from sale of goods	<u>117,011</u>	<u>114,058</u>	<u>48,052</u>	<u>42,180</u>	<u>165,063</u>	<u>156,238</u>
Operating profit	<u>8,655</u>	<u>2,572</u>	<u>5,413</u>	<u>3,197</u>	<u>14,068</u>	<u>5,769</u>
Central expenses, net					(972)	(1,093)
Finance costs					(1,949)	(2,769)
Net foreign exchange gain					191	373
Share of profit of associates					1,591	1,162
Income tax expense					<u>(2,539)</u>	<u>(218)</u>
Profit for the year					<u>10,390</u>	<u>3,224</u>
Property, plant and equipment and intangible assets (excluded goodwill), net	<u>31,946</u>	<u>29,333</u>	<u>14,462</u>	<u>15,357</u>	46,408	44,690
Central assets, net					454	472
Other assets					68,836	62,348
Total assets					<u>115,698</u>	<u>107,510</u>

Geographic segments

Detail of the geographic segment financial information of the Group as at 31 December 2009 and 2008 and for the years then ended were as follows:

	Consolidated financial statements			
	Revenue from external customers		Property, plant and equipment and intangible assets (excluded goodwill)	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Thailand	106,247	106,137	37,695	39,357
Europe	28,747	28,980	3,961	3,102
Asia	26,636	17,749	5,172	2,666
America	3,029	2,894	35	37
Other	404	478	-	-
Total	<u>165,063</u>	<u>156,238</u>	<u>46,863</u>	<u>45,162</u>

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

24 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Transportation expenses	2,619	2,906	568	606
Personnel expenses	2,252	2,128	390	365
Advertising and sale promotion expenses	1,059	949	70	64
Vehicle and traveling expenses	678	801	167	212
Office supplies used	463	443	59	45
Rental building and equipments fee	367	318	15	13
Depreciation and amortisation charges	285	309	11	15
Other	174	139	10	10
Total	7,897	7,993	1,290	1,330

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Personnel expenses	5,966	5,286	1,567	1,381
Office supplies used	663	604	225	227
Public relationship expenses	611	610	230	172
Vehicle and traveling expenses	591	542	151	148
Taxes, government and bank fees and other	591	279	119	41
Depreciation and amortisation charges	445	427	147	133
Professional and other services fees	388	320	191	153
Other	406	429	188	207
Total	9,661	8,497	2,818	2,462

26 Employee benefit expenses

Employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of directors' remuneration, sub-directors' remuneration and salaries and other benefit expenses of management totaling Baht 584 million and Baht 208 million in consolidated and separate financial statements for the year ended 31 December 2009 respectively (2008: Baht 509 million and Baht 196 million respectively).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totaling Baht 17,482 million and Baht 5,401 million in consolidated and separate financial statements for the year ended 31 December 2009 respectively (2008: Baht 15,838 million and Baht 4,728 million respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

27 Finance costs

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Finance cost paid to Subsidiaries	-	-	1	2
Other parties	1,949	2,769	1,363	1,379
Total	1,949	2,769	1,364	1,381

28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Current tax				
Current year	1,170	535	20	14
Under (over) provided in prior years	22	(2)	-	-
	<u>1,192</u>	<u>533</u>	<u>20</u>	<u>14</u>
Deferred income tax				
Movements in temporary differences	1,021	7	886	10
Benefit of tax losses recognised	326	(322)	(387)	-
	<u>1,347</u>	<u>(315)</u>	<u>499</u>	<u>10</u>
Total	2,539	218	519	24

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

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Reconciliation of effective tax rate

	Consolidated financial statements						
Applicable tax rates	0%	10%	12.5%	15%	30%	Other	Total
	(in million Baht)						
2009							
Accounting profit before income tax, net	2,590	13	-	524	7,907	1,895	12,929
Tax at the applicable tax rates	-	1	-	79	2,372	285	2,737
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	-	-	3	(389)	188	(198)
Net	-	1	-	82	1,983	473	2,539
2008							
Accounting profit before income tax, net	1,874	19	454	395	2,433	(1,733)	3,442
Tax at the applicable tax rates	-	2	57	59	730	179	1,027
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	11	(43)	18	(356)	(439)	(809)
Net	-	13	14	77	374	(260)	218

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

Notes to the financial statements

For the years ended 31 December 2009 and 2008

Reconciliation of effective tax rate

		Separate financial statements				
Applicable tax rates		0%	12.5%	15%	30%	Total
		(in million Baht)				
2009						
Accounting profit before income tax, net		1,218	-	178	7,711	9,107
Tax at the applicable tax rates		-	-	27	2,313	2,340
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		-	-	(27)	(1,794)	(1,821)
Net		-	-	-	519	519
2008						
Accounting profit before income tax, net		600	454	-	1,341	2,395
Tax at the applicable tax rates		-	57	-	402	459
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		-	(43)	-	(392)	(435)
Net		-	14	-	10	24

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Income tax reduction

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies, which obtained a reduction in the corporate income tax rate enactment as Royal Decree No. 387 B.E. 2544 dated 5 September 2001, a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million upon the Royal Decree No. 475 is effective but shall not be exceeding the accounting period ending on or after 31 December 2010.

29 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, shrimp farming, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December 2009 and 2008 were summarised as follows:

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Promoted businesses being granted the reduction of corporate income tax rate / non-promoted businesses		Total	
	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>					
Local sales	18,790	18,568	27,735	28,923	46,525	47,491
Export sales	4,098	3,407	3,667	3,987	7,765	7,394
Total revenue from sale of goods	22,888	21,975	31,402	32,910	54,290	54,885
Other income	51	70	7,701	2,422	7,752	2,492
Total revenues	22,939	22,045	39,103	35,332	62,042	57,377
Less costs and expenses	(21,721)	(21,445)	(31,733)	(33,561)	(53,454)	(55,006)
Profit for the year	1,218	600	7,370	1,771	8,588	2,371

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Direct costs and expenses are charged to the related businesses as incurred. Indirect costs and expenses are allocated to individual businesses based on revenues of each business.

30 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years then ended, calculated as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to equity holders of the Company	<u>10,190</u>	<u>3,128</u>	<u>8,588</u>	<u>2,371</u>
Number of ordinary shares outstanding at 1 January	7,520	7,520	7,520	7,520
Weighted average number of ordinary shares outstanding during the years				
- repurchased by the Company	(465)	(77)	(465)	(77)
- ordinary shares held by subsidiaries	<u>(345)</u>	<u>(329)</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during the year	<u>6,710</u>	<u>7,114</u>	<u>7,055</u>	<u>7,443</u>
Basic earnings per share (Baht)	<u>1.52</u>	<u>0.44</u>	<u>1.22</u>	<u>0.32</u>

31 Dividends

Details of dividends for the years ended 31 December 2009 and 2008 were as follows:

<u>Approval date to pay dividends</u>	<u>Rate per share</u>	<u>Number of entitled shares</u>	<u>Total</u>	<u>Source</u>
	<i>(Baht)</i>	<i>(Shares)</i>	<i>(in million Baht)</i>	
2008				
23 April 2008	0.085	7,519,937,826	639	Profit from operations which were exempted from corporate income tax
13 August 2008	0.04	7,519,937,826	301	Profit from operations which were exempted from corporate income tax
13 August 2008	0.04	7,519,937,826	301	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
Total			<u>1,241</u>	

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Approval date to pay dividends	Rate per share	Number of entitled shares	Total (in million Baht)	Source
	(Baht)	(Shares)		
2009				
22 April 2009	0.11	7,048,937,826	775	Profit from operations which were exempted from corporate income tax
7 August 2009	0.14	7,048,937,826	987	Profit from operations which were exempted from corporate income tax
7 August 2009	0.09	7,048,937,826	635	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
Total			2,397	

32 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because interest rates of debt securities and borrowings are mainly fixed. The Group is primarily exposed to interest rate risk from borrowings (see notes 5 and 18 to the financial statements). The Group mitigates the risk by ensuring that the majority of its borrowings at fixed interest rates.

The average interest rates of loans receivable as at 31 December 2009 and 2008 and the periods in which the loans receivable mature were as follows:

	Average interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2009					
Current					
Short-term loans to subsidiaries	6.13	7,465	-	-	7,465
Current portion of long-term loans to subsidiaries	5.51	2,510	-	-	2,510

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Average interest rates <i>(% per annum)</i>	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		<i>(in million Baht)</i>			
Non-current					
Long-term loans to subsidiaries	5.85	-	7,405	-	7,405
Total		9,975	7,405	-	17,380
2008					
Current					
Short-term loans to subsidiaries	7.02	15,245	-	-	15,245
Current portion of long-term loans to subsidiaries	7.23	1,692	-	-	1,692
Non-current					
Long-term loans to subsidiaries	7.18	-	1,087	-	1,087
Total		16,937	1,087	-	18,024

The average interest rates of interest-bearing liabilities as at 31 December 2009 and 2008 and the periods in which those liabilities mature were as follows:

	Average interest rates <i>(% per annum)</i>	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
		<i>(in million Baht)</i>			
2009					
Current					
Overdrafts	6.16	7	-	-	7
Short-term borrowings from financial institutions	2.28	9,738	-	-	9,738
Current portion					
Long-term borrowings from financial institutions	3.55	790	-	-	790
Debentures	4.52	5,500	-	-	5,500
Finance lease liabilities	4.89	4	-	-	4
Non-current					
Long-term borrowings from financial institutions	3.14	-	5,056	-	5,056
Debentures	5.17	-	17,700	4,000	21,700
Finance lease liabilities	4.02	-	2	-	2
Total		16,039	22,758	4,000	42,797

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Average interest rates (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2008					
Current					
Overdrafts	7.16	63	-	-	63
Short-term borrowings from financial institutions	5.12	20,899	-	-	20,899
Notes payable	4.01	2,673	-	-	2,673
Current portion					
Long-term borrowings from financial institutions	5.25	762	-	-	762
Debentures	5.70	4,700	-	-	4,700
Finance lease liabilities	6.89	20	-	-	20
Non-current					
Long-term borrowings from financial institutions	5.59	-	559	-	559
Debentures	5.39	-	17,800	-	17,800
Finance lease liabilities	5.08	-	6	-	6
Total		29,117	18,365	-	47,482
	Average interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in million Baht)		
2009					
Current					
Overdrafts	6.13	6	-	-	6
Short-term borrowings from subsidiaries	0.38	116	-	-	116
Current portion					
Long-term borrowings from financial institutions	3.23	400	-	-	400
Debentures	4.52	5,500	-	-	5,500
Non-current					
Long-term borrowings from financial institutions	3.04	-	4,600	-	4,600
Debentures	5.17	-	17,700	4,000	21,700
Total		6,022	22,300	4,000	32,322

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	Average interest rates <i>(% per annum)</i>	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
			<i>(in million Baht)</i>		
2008					
Current					
Overdrafts	7.00	3	-	-	3
Short-term borrowings from financial institutions	3.27	1,965	-	-	1,965
Notes payable	4.01	2,673	-	-	2,673
Short-term borrowings from Subsidiaries	1.25	102	-	-	102
Current portion Debentures	5.70	4,700	-	-	4,700
Non-current					
Debentures	5.39	-	17,800	-	17,800
Total		9,443	17,800	-	27,243

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies including anticipated future purchases and sales of goods denominated in foreign currencies. The forward exchange contracts have maturities of less than 1 year.

At 31 December 2009 and 2008 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated		Separate	
		financial statements		financial statements	
Foreign currency		2009	2008	2009	2008
		(in million)			
Accounts receivable – trade and others					
Foreign currencies	United States Dollar	46	48	27	40
	Won	11,068	7,100	1,992	2,756
	Singapore Dollar	9	10	-	-
	Euro	3	1	12	4
	Ruble	-	-	98	-
	Pound Sterling	1	1	1	-
	Yen	67	13	162	29
	Krona	2	4	-	-
	Rand	1	2	1	-
Currency forwards	United States Dollar	45	51	31	42
	Won	11,068	7,100	1,992	2,756
	Singapore Dollar	9	10	-	-
	Euro	2	-	12	4
	Ruble	-	-	98	-
	Pound Sterling	1	1	1	-
	Yen	67	13	161	29
	Rand	1	2	1	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
Foreign currency		2009	2008	2009	2008
		(in million)			
Short-term loans to subsidiaries					
Foreign currency	United States Dollar	-	-	37	44
Currency forward	United States Dollar	-	-	37	44
Long-term receivable from related company for sale of investment					
Foreign currency	United States Dollar	8	16	-	-
Currency forward	United States Dollar	-	-	-	-
Long-term loans to subsidiaries					
Foreign currency	United States Dollar	-	-	65	13
Currency forward	United States Dollar	-	-	48	4
Interest-bearing liabilities					
Foreign currencies	United States Dollar	27	40	-	5
	Euro	2	6	-	-
Currency forward	United States Dollar	-	13	-	5
Accounts payable – trade and others					
Foreign currency	United States Dollar	16	28	-	-
	Euro	2	2	-	-
	Yen	3	2	-	-
	Krone Danish	1	-	1	-
Currency forward	United States Dollar	5	3	-	-
	Euro	1	-	-	-
	Yen	3	2	-	-
	Krone Danish	1	-	1	-
Forecast sales					
Currency forwards	United States Dollar	111	111	40	29
	Pound Sterling	40	40	7	3
	Euro	11	15	3	2
	Yen	343	1,407	301	1,347
	Singapore Dollar	7	9	-	-
	Won	4,162	217	473	217
	Hongkong Dollar	8	6	-	-
	Ruble	4	-	4	-
Forecast purchases					
Currency forwards	United States Dollar	52	175	2	9
	Euro	3	2	1	-
	Yen	3	36	-	26

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the reporting date. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. (When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.)

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity securities, which are held for trading and available-for-sales, are determined by reference to their quoted bid price at the reporting date.

The fair value of forward exchange contracts approximates the expected amounts that can be traded in the current exchange rate market.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

33 Commitments with non-related parties

As at 31 December 2009 and 2008 the Group had commitments with non-related parties as follows:

(a) Capital commitments

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
<i>Contracted but not provided for</i>				
Land Buildings and constructions	641	186	9	39
Machinery, equipment and others	62	132	20	99
Total	703	318	29	138

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

(b) *Operating lease commitments*

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
Within one year	775	746	160	166
After one year but within five years	1,108	969	105	142
After five years	331	193	9	10
Total	2,214	1,908	274	318

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 30 years expiring in 2010 to 2036.

(c) *Other commitments*

As at 31 December 2009 the Company had 2 Cooperative Technical agreements with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will expire on 31 December 2010 and 2012 respectively. (These agreements shall be extended with the mutually agreed terms and conditions.) Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 1.1 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to 2 agreements as at 31 December 2009 totaled Baht 15 million (2008: Baht 19 million).

34 **Contingent liabilities**

As at 31 December 2009 the Group had the following contingent liabilities:

- (a) The Company and certain subsidiaries were contingently liable under the issued letters of credit totaling Baht 21 million and Baht 1,530 million respectively (2008: Baht 175 million and Baht 6,100 million respectively).
- (b) The Company and certain subsidiaries were contingently liable to financial institutions for letters of guarantee issued by the financial institutions in favor of government agencies and others totaling Baht 249 million and Baht 2,717 million respectively (2008: Baht 280 million and Baht 1,069 million respectively). The letters of guarantee are principally covering the guarantee of taxes and duties and sell of products.
- (c) A subsidiary was contingently liable for its credit facilities guarantee of a foreign financial institution granted to another subsidiaries totaling MYR 20 million or approximately Baht 195 million (2008: MYR 47 million or approximately Baht 474 million).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

35 Thai Accounting Standards not yet adopted

The Company and local subsidiaries have not adopted the following new and revised Thai Accounting Standards (“TAS”) that have been issued as of the reporting date but are not yet effective. The new and revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS	Topic	Year effective
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance	2012
TAS 24 (revised 2007)	Related Party Disclosures	2011
TAS 40	Investment Property	2011

The adoption and initial application of these revised TAS is not expected to have any material impact on the consolidated and separate financial statements.

36 Reclassification of accounts

Certain accounts in the balance sheets as at 31 December 2008 and the statements of income for the year then ended have been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2009 as follows:

	2008					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
			(in million Baht)			
Balance sheets						
Investments in subsidiaries	-	-	-	-	17,990	17,990
Investments in associates	-	9,099	9,099	-	290	290
Investments in related companies	-	1,007	1,007	-	144	144
Investments in other companies	-	162	162	-	-	-
Long-term investments	10,268	(10,268)	-	18,424	(18,424)	-
		<u>-</u>			<u>-</u>	
Statements of income						
Net foreign exchange gain	(82)	(291)	(373)	(91)	(1)	(92)
Selling expenses	-	7,993	7,993	-	1,330	1,330
Administrative expenses	-	8,497	8,497	-	2,462	2,462
Management benefit expenses	-	509	509	-	196	196
Share of profit of associates	-	(1,162)	(1,162)	-	-	-
Finance costs	-	2,769	2,769	-	1,381	1,381
Share of profits from investments in associates accounted for using the equity method	(1,176)	1,176	-	-	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the years ended 31 December 2009 and 2008

	2008					
	Consolidated			Separate		
	financial statements			financial statements		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication	Before reclassi- fication	Reclassi- fication	After reclassi- fication
	<i>(in million Baht)</i>					
Selling and administrative expenses	16,983	(16,983)	-	3,976	(3,976)	-
Share of losses from investments in associates accounted for using the equity method	14	(14)	-	-	-	-
Directors' remuneration	36	(36)	-	25	(25)	-
Interest expense	2,458	(2,458)	-	1,367	(1,367)	-
		<u>-</u>			<u>-</u>	

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development “*Determination of items in the financial statements B.E. 2552*” dated 30 January 2009.



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