



Kitchen
of the World

*Where
{Good Things}
Start.*

Annual Report **2010**
Charoen Pokphand Foods Public Company Limited

Where Good Things Start

Enjoying quality foods is the gateway to a good quality of life

Freshness. Safety. Hygiene. These important considerations are the key to enjoying a good quality of life. CPF's rigorous production processes will ensure our success as "Kitchen of the World."

Kitchen of the World

www.cpfworldwide.com



Quick Facts

As of December 31, 2010

Head Office	313 C.P. Tower Building, Silom Road, Bangrak, Bangkok 10500, Thailand
Telephone Number	(662) 625-8000
Facsimile Number	(662) 638-2139
Web Address	http://www.cpfworldwide.com
Business Category	Agro-industrial and Food in Thailand and Overseas
Legal Status	Public limited company registered in Thailand
Registration Number	0107537000246
Registered Capital	THB 8,206.66 million
Number of Paid-up Shares	7,519.94 million shares (all in ordinary 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	110 companies (Brief information is shown under “Information of Companies in which the Company has Shareholding” section on page 125)
Trading Symbol on the SET	CPF for ordinary shares
Trading Symbol on the Thai Bond Market Association (TBMA) and/or the SET	CPF117A for debentures No. 1/2006 Series 2 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 CPF155B for debentures No. 1/2010 CPF14NB for debentures No. 2/2010 Series 1 CPF17NA for debentures No. 2/2010 Series 2 (Brief information of debentures is shown at “www.cpfworldwide.com” under section of Investor Relations, and outstanding debentures as of December 31, 2010 is shown under “Management’s Discussion and Analysis” section on page 65)

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

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The Company at a Glance

Charoen Pokphand Foods Public Company Limited (“CPF”) is the flagship company of the Charoen Pokphand Group in Thailand, operating agro-industrial businesses including animal farming and manufacturing food products from meat in Thailand and overseas. As of December 31, 2010, CPF has 110 subsidiaries; 79 of these operate fully integrated agro-industry in Thailand and operate businesses related to operations in Thailand, 17 have overseas operation and the remaining 14 run other businesses.

The Company has two main business operations: 1) **Thailand Operations** manages all operations in Thailand and distributes products in the domestic markets and overseas markets such as the United States, Japan, Singapore, Hong Kong, United Kingdom, Belgium, Germany, Spain, France, Denmark, Italy, etc. 2) **Overseas Operations** are operated through overseas subsidiaries in 9 countries namely Turkey, Russia, Laos, Taiwan, United Kingdom, Malaysia, India, China, and the Philippines. The 2010 revenue contribution, based on total sales, comes from Thailand Operations and Overseas Operations at 74% and 26%, respectively.

There are two core fully integrated business lines: 1) **Livestock Business** mainly comprises broilers, layers, swine and duck and 2) **Aquatic Business** mainly focuses on 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.

The Company consolidated sales for the year 2010 was THB 189,049 million, with a net profit of THB 13,563 million, or equivalent to THB 2.04 per share. The Company paid the first dividend as an interim dividend at THB 0.50 per share, totaling THB 3,524 million on September 10, 2010. The Board of Directors approved the second dividend as an 2010 annual dividend at THB 0.55 per share, totaling THB 3,877 million to be proposed to the Annual General Shareholders’ Meeting 1/2011 on April 20, 2011 for further approval.

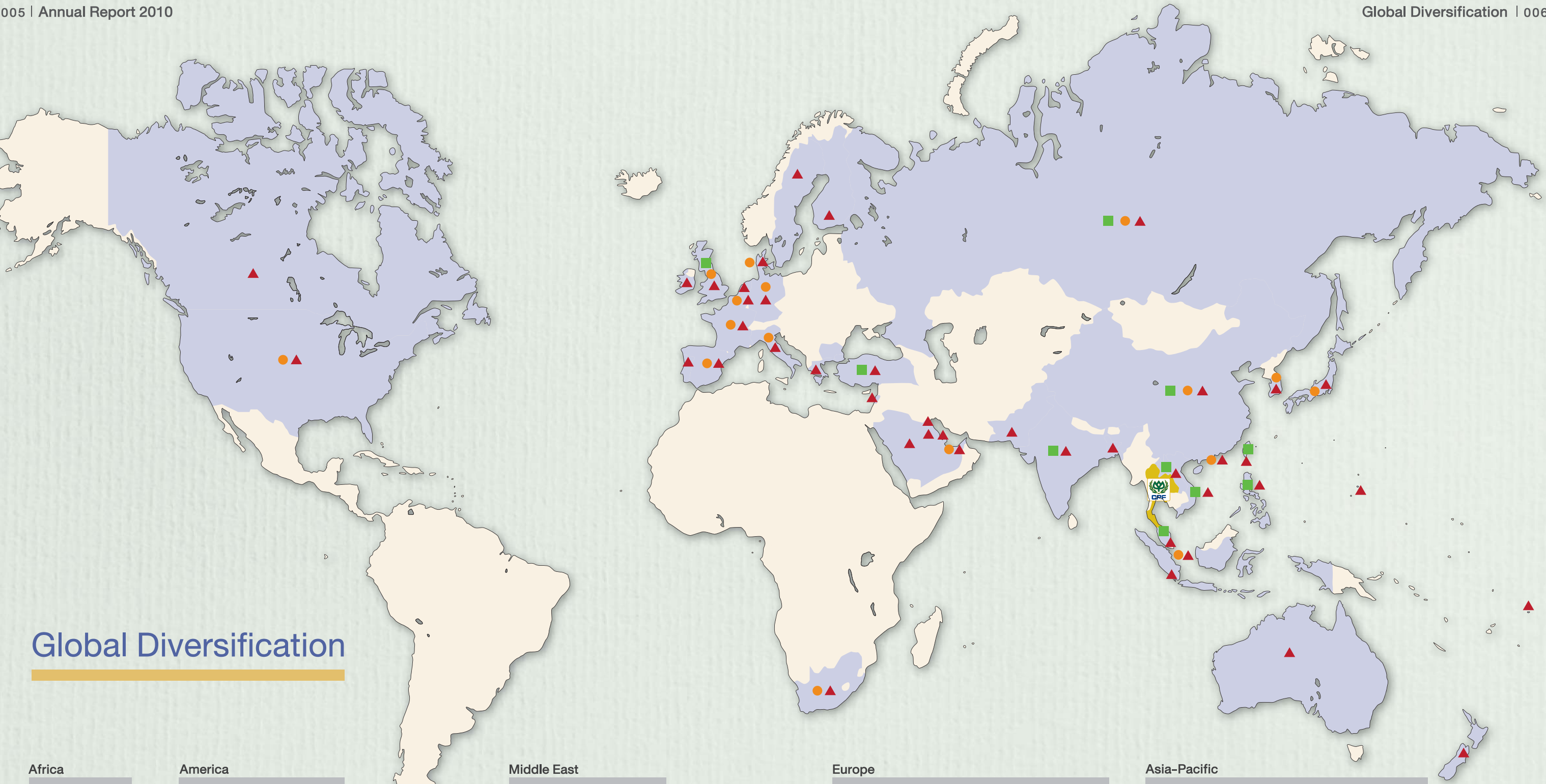
CPF was listed in the Stock Exchange of Thailand in December 1987, became a public company limited in January 1994 and split its par value of ordinary shares from THB 10 per share to THB 1 per share in September 2001.

As of December 31, 2010, Charoen Pokphand Foods Company Limited, traded in the Stock Exchange of Thailand under “CPF”, had a paid-up capital of THB 7,519,937,826, all in ordinary shares, and a market capitalization was THB 185,742 million, including share repurchased for financial management of 471 million shares.

CPF Operations



Global Diversification



Africa

South Africa ● ▲

America

Canada ▲
United States of America ● ▲

Middle East

Qatar ▲
Kuwait ▲
Saudi Arabia ▲
Bahrain ▲
Lebanon ▲
United Arab Emirates ● ▲

Europe

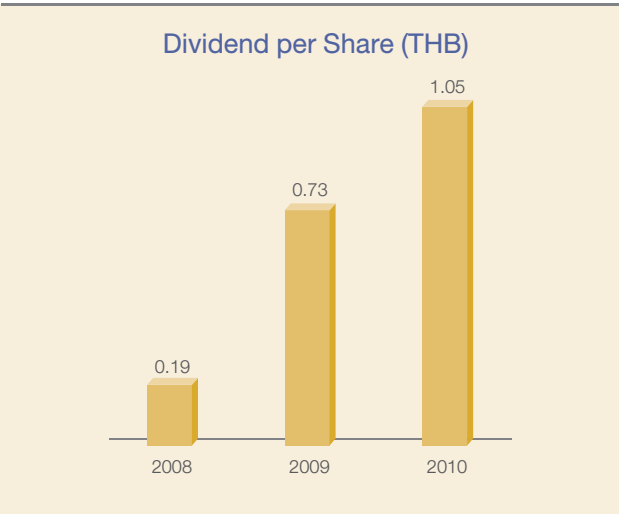
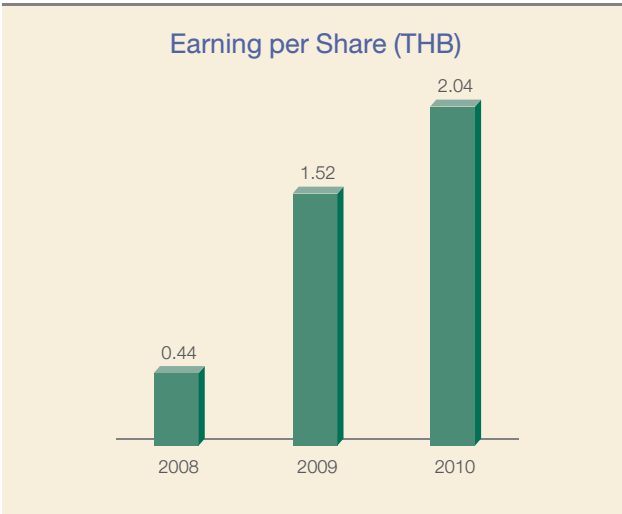
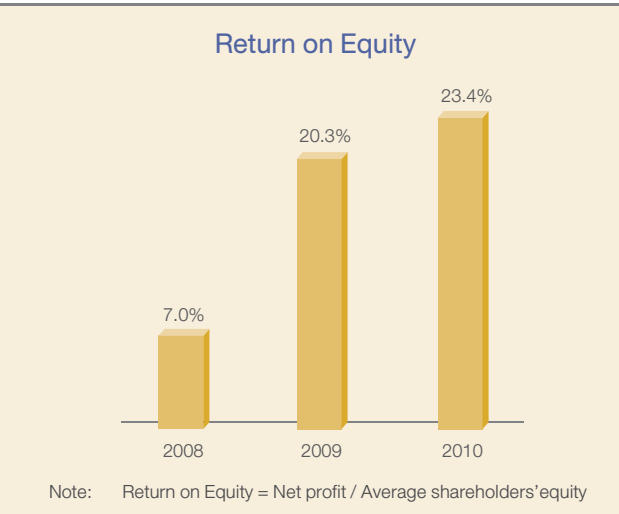
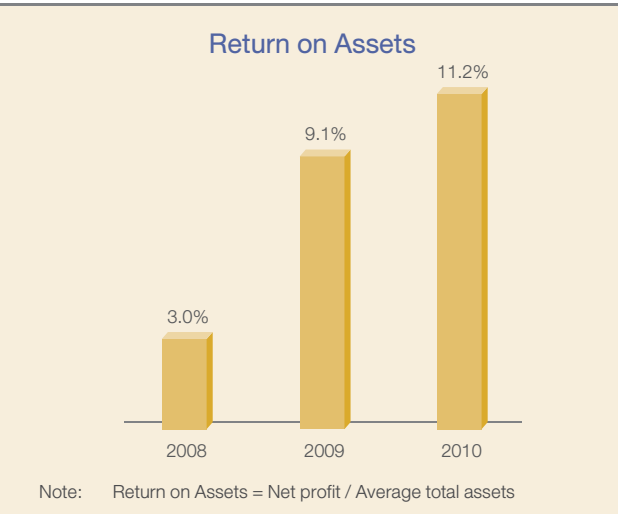
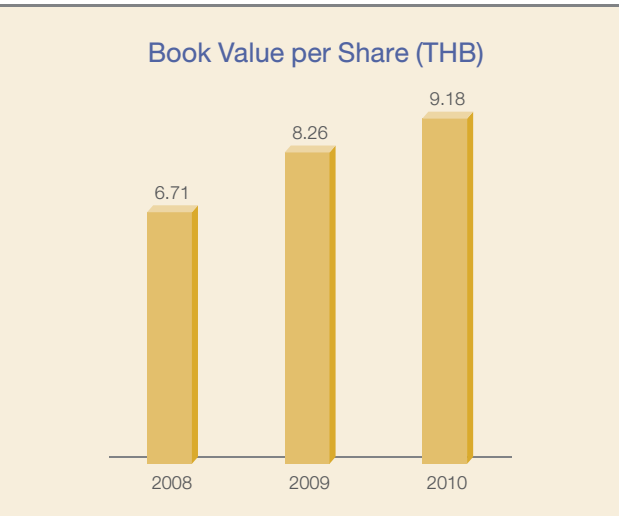
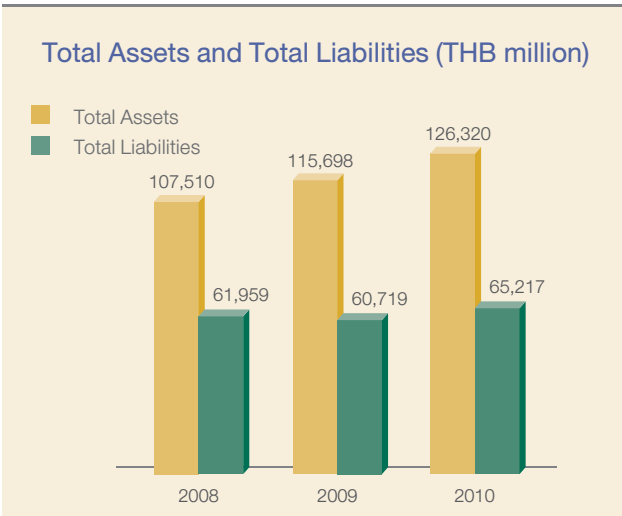
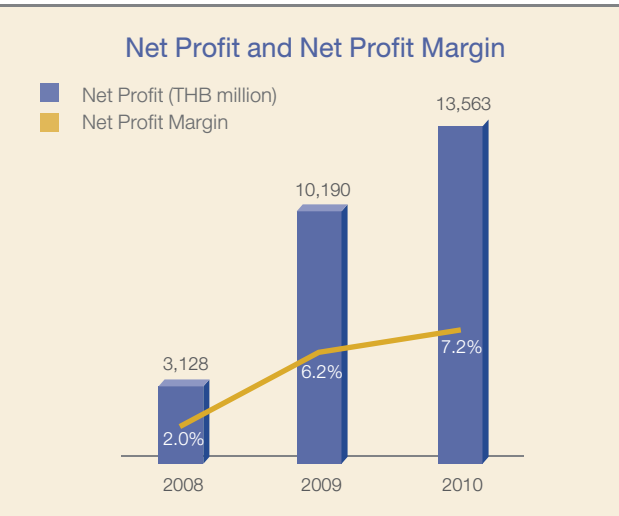
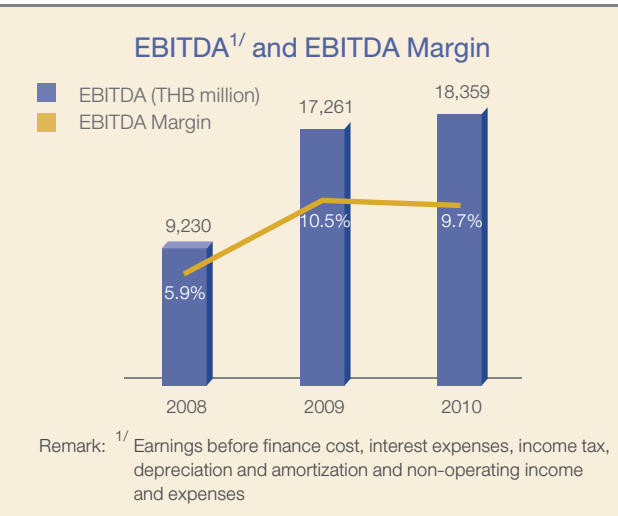
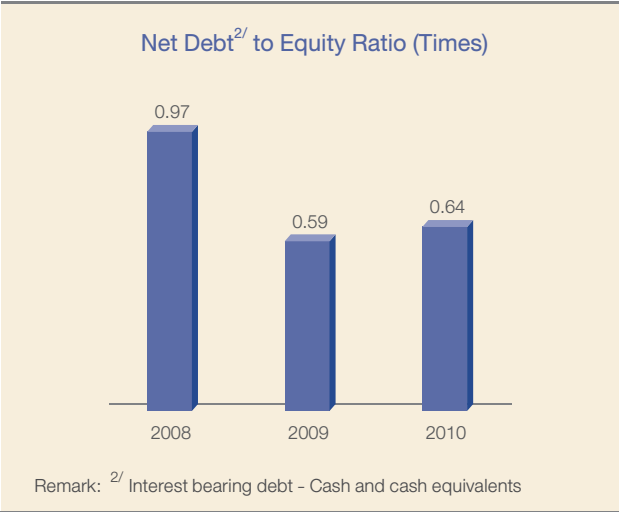
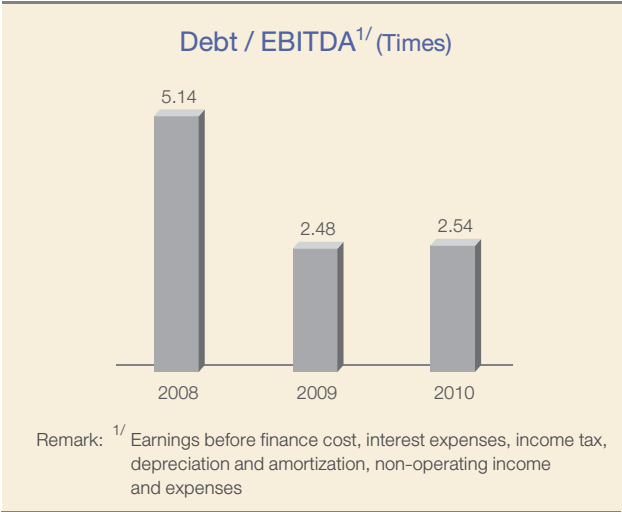
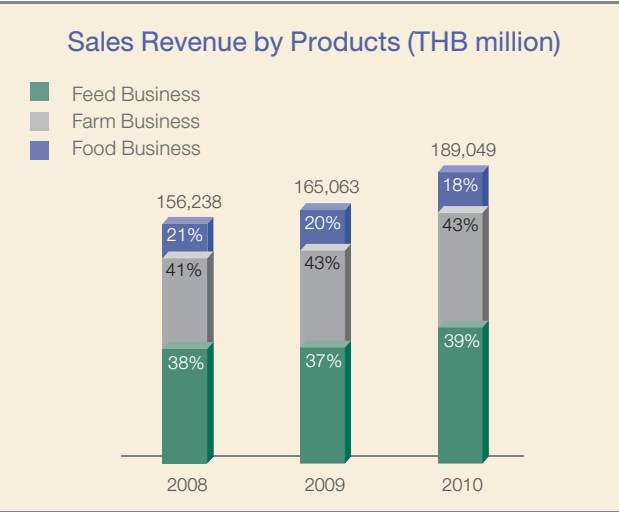
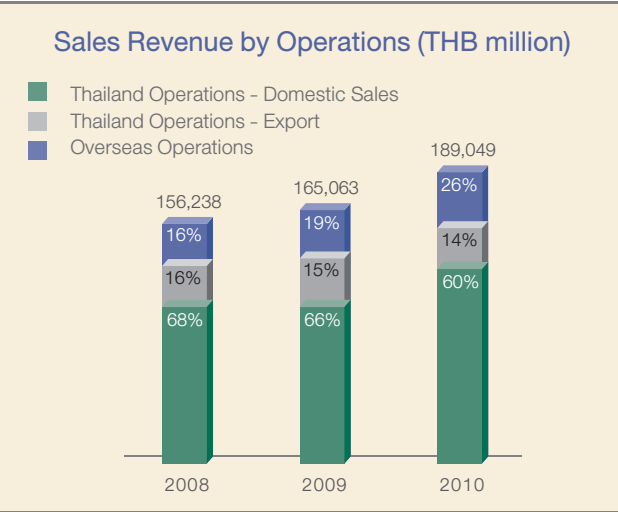
Greece	▲	Germany	● ▲
Denmark	● ▲	Russia	■ ● ▲
Turkey	■ ▲	Spain	● ▲
Netherlands	▲	Sweden	▲
Belgium	● ▲	United Kingdom	■ ● ▲
Portugal	▲	Italy	● ▲
France	● ▲	Ireland	▲
Finland	▲		

Asia-Pacific

South Korea	● ▲	Marianas Islands	▲
China	■ ● ▲	Malaysia	■ ▲
Samoa	▲	Laos	■ ▲
Japan	● ▲	Vietnam	■ ▲
Taiwan	■ ▲	Singapore	● ▲
New Zealand	▲	India	■ ▲
Bangladesh	▲	Indonesia	▲
Pakistan	▲	Australia	▲
Philippines	■ ▲	Hong Kong	● ▲

■ Overseas Operations (Subsidiaries and Associates) ● Sales Representatives ▲ Thailand's Export Destinations

Financial Highlights



Message to Shareholders

Mr. Dhanin Chearavanont
Chairman of the Board
of Directors



Mr. Adirek Sripratak
President
and Chief Executive Officer



2010 is another successful year for Charoen Pokphand Foods Public Company Limited and its subsidiaries. Consolidated sales revenue hit THB 189,049 million and net profit peaked at THB 13,563 million, a growth of 15% and 33% respectively over year 2009.

Majority of the 15% growth in sales is a result of exceptional 55% growth from overseas operations, coupled with a 5% growth from operations in Thailand. The growth is in accordance to our strategy and business plan to grow and expand by investing in countries with high livestock farming potential and the increasing per capita consumption in those respective countries. As percentage of total company sales, overseas operations increased to 26%, from 19% in 2009 whereas operations in Thailand accounted to 74% from its previous 81%.

Besides expanding business internationally and domestically, our policies also dedicated to personnel development, production efficiency and work procedures improvement, cost reduction/profit improvement programs, and finance and capital management. All those with the increase in the share of associates' profit contribute to the consolidated net profit of THB 13,563 million, an increase of 33% from 2009.

The Company paid the interim dividend for the first six months of operation on September 10, 2010 at THB 0.50 per share. The Board of Directors proposed annual dividend payment of THB 0.55 per share for approval at the Annual General Shareholders' Meeting No.1/2011 on April 20, 2011. Thus, total dividend for the year would be THB 1.05 per share, an equivalent of 55% of the consolidated net profit.

The Company anticipates fierce competition and increasing obstacles in 2011. Overall picture on the world economy is yet unclear as well as on Thai economy which very much depends on government's policies and incentives and economic packages. World food shortages and the greenhouse effect on agricultural productions are major concern. As such, the Company gives importance to cost management and continual efficiency improvement. Continued emphasis will be given to expanding customer base which include overseas operations and exporting to more customers in existing countries and new markets. On food business, operating plans will include more value added products for various meat protein source, research and development on food items to meet demand of world consumers and increase food customer base. The Company will also continue to develop new distribution channels and promotes and increases more stores and outlets in existing channels such as CP Freshmart and Five Stars. With the aforementioned policy and plan, the Company foresees a satisfactory performance and growth in 2011.

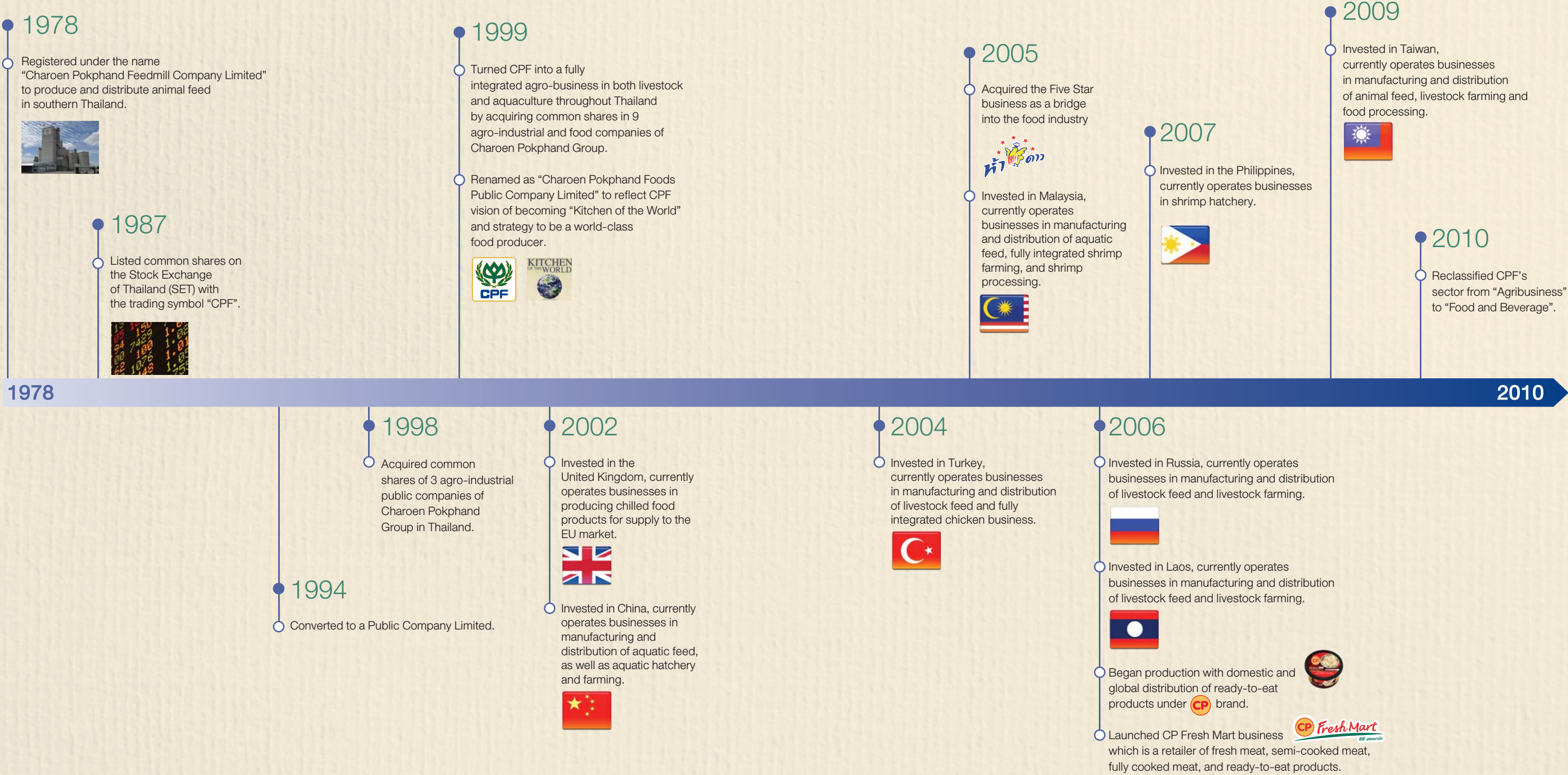
In addition to emphasizing business growth, the Company gives great importance to good corporate governance, corporate social responsibility, and risk management. Last but not least, the Company has strong human resources and personnel development programs. All of the above are critical components to enable success and sustainable growth of the Company.

In conclusion, the Company is grateful for the continual trust, confidence, and support and look forward to receiving the same consideration in years to come.

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

Mr. Adirek Sripratak
President
and Chief Executive Officer

The Company Milestones



Achievement Awards of the Company



Outstanding CEO and IR awards of the “Agro and Food Industry” group, presented at the “SAA Awards for Listed Companies 2010” event by the Securities Analysts Association



Ranked 3rd among Thai companies in the Asia's 200 Most Admired Companies conducted by The Wall Street Journal



CNBC Asia Business Leaders Awards 2008 in corporate social responsibility for being driven toward success which benefited the overall community and society



Awards for Overall Corporate Excellence

- 2010
- Outstanding CEO and IR awards of the “Agro and Food Industry” group, presented at the “SAA Awards for Listed Companies 2010” event by the Securities Analysts Association
 - Ranked 2nd among Thai companies in the Asia’s 200 Most Admired Companies conducted by The Wall Street Journal
 - The Forbes Global 2000 survey conducted by ‘Forbes’, the world’s leading financial magazine, ranked CPF as one of the world’s 2,000 largest and most influential companies
- 2009
- Ranked 3rd among Thai companies in the Asia’s 200 Most Admired Companies conducted by The Wall Street Journal

- 2008
- Ranked 3rd among Thai companies in the Asia’s 200 Most Admired Companies conducted by The Wall Street Journal
- 2007
- Ranked 3rd among Thai companies in the Asia’s 200 Most Admired Companies conducted by The Wall Street Journal
- 2006
- Ranked 2nd among Thai companies in the Asia’s 200 Most Admired Companies conducted by The Wall Street Journal

Awards for Environmental and Corporate Social Responsibility (CSR)

- 2010
- Outstanding Workplace Safety, Health and Environment Award: CPF is honored to have won this award for 10 consecutive years (2001 – 2010) from the Department of Labour Protection and Welfare, Ministry of Labour

- Best Professional Safety Officer Award: CPF is honored to have won this award for 6 consecutive years (2005 – 2010) from the Department of Labour Protection and Welfare, Ministry of Labour
- Best Safety, Health and Environment Committee Award from the Department of Labour Protection and Welfare, Ministry of Labour
- Zero Accident Award for campaigning against workplace accidents and reducing work-related accidents to zero. CPF is honored to have won this award for 3 consecutive years (2008 – 2010) from the Department of Labour Protection and Welfare, Ministry of Labour
- Prime Minister Industry Award under the category of Safety Management and Energy Management from the Ministry of Industry
- ASEAN Energy Awards from the ASEAN Energy Ministerial Roundtable Meeting

- 2009
- CSR-DIW (Corporate Social Responsibility, Department of Industrial Works) Plaque from the Ministry of Industry
 - Best Safety, Health and Environment Committee Award from the Department of Labour Protection and Welfare, Ministry of Labour
 - Thailand Energy Awards from the Ministry of Energy
- 2008
- CNBC Asia Business Leaders Awards in corporate social responsibility for being driven toward success, which benefited the overall community and society
 - Prime Minister Industry Award under the category of Safety Management from the Ministry of Industry
 - Thailand Energy Awards from the Ministry of Energy
- 2007
- ASEAN Energy Awards from the ASEAN Energy Ministerial Roundtable Meeting



Thailand Quality Class (TQC) Award 2009
from Thailand Productivity Institute



New Product Development Award 2010
(for Chicken Temptation) from Subway,
the world's largest sandwich franchise

Awards for Management Excellence

- 2010**
- Thailand Quality Class (TQC) Award from Thailand Productivity Institute
 - Quality Award under the category of Food Business from the Food and Drug Administration
 - Named a company with “excellent” corporate governance practices by the Thai Institute of Directors Association with support from the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- 2009**
- Thailand 5S Award from Technology Promotion Association (Thailand – Japan)
 - Thailand Quality Class (TQC) Award from Thailand Productivity Institute
 - Thailand Corporate Excellence Awards under the category of Corporate Improvement Excellence from Thailand Management Association in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University

Awards for Quality Overseas Products and Services

- Hong Kong**
- 2010**
- Favorite Brand under the category of Outstanding Award in Perishable Food for fresh CP eggs at a contest among 10 customer-admired brands, hosted by Wellcome Superstore, a leading super-market of Hong Kong. CP was the first foreign brand achieving this distinction in merely three years after launching the product.
- United Kingdom**
- 2010**
- New Product Development Award (for Chicken Temptation) from Subway, the world’s largest sandwich franchise
 - New Supplier of the Year Award from Subway, the world’s largest sandwich franchise
- 2006**
- Supplier of the Year Award from KFC UK



Four gold medals from the Grand Prix of Best Sausage
in International Quality Competitions 2010, sponsored by
The German Butchers' Association, in Frankfurt, Germany



Consumer Quality Reward 2010 (in chicken meat sector)
at the 23rd International Consumer Summit in Turkey

- Japan**
- 2010**
- The Best Supplier Award under the category of Processed Chicken and Shrimp and Frozen Shrimp from Seven & i Holdings, the leader in retail business in Japan
- France**
- 2008**
- Saveur De L'annee Award (Taste of the Year) for 3 consecutive years (2008-2010)
- Denmark**
- 2009**
- Best RTE (Ready-To-Eat) Meal Award
- Turkey**
- 2010**
- Consumer Quality Reward (in chicken meat sector) at the 23rd International Consumer Summit in Turkey
 - EU Quality Award for innovative, high-quality products from the EU Quality Summit in Belgium

- “Best Brand” Award from a survey conducted by the Ministry of Agriculture and Rural Affairs, Turkey, in cooperation with Ekonomize Magazine
 - “The Most Preferred Chicken Meat Brand” from a consumer survey conducted by Animal Magazine and Turkey’s Consumer Association
- 2009**
- The Best C. Meat Brand Award (in the white-meat sector) at the 1st Food Safety Summit in Turkey
- Germany**
- 2010**
- Four gold medals from the Grand Prix of the Best Sausage in International Quality Competitions, sponsored by The German Butchers' Association in Frankfurt, Germany



Thailand's Most Innovative Company Award 2009 from the Faculty of Commerce and Accountancy, Chulalongkorn University, and Krungthep Turakij Newspaper



Thailand's Best Human Resources Practitioner Award 2009 under the category of CEO and HR professional from Human Resources Institute, Thammasat University

Awards for Innovation

- 2010 Thailand's Most Innovative Company Award from the Faculty of Commerce and Accountancy, Chulalongkorn University, and Krungthep Turakij Newspaper
- 2009 Thailand's Most Innovative Company Award from the Faculty of Commerce and Accountancy, Chulalongkorn University, and Krungthep Turakij Newspaper
- 2008 "ASHRAE Technology Award" under the Industrial Facilities or Processes category from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), USA

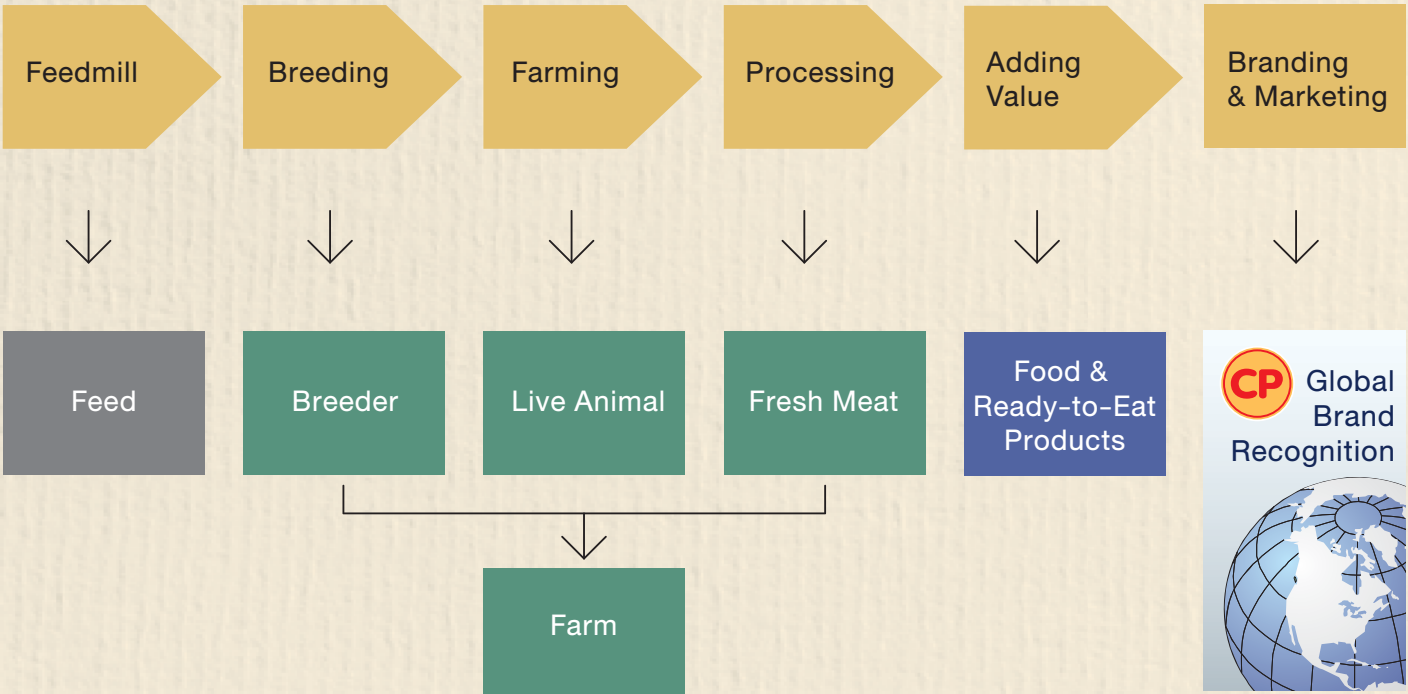
Awards for Human Resources Management

- 2010 PMAT HR Award for Outstanding Human Resources Practitioner for a large corporation, presented by the Personnel Management Association of Thailand (PMAT)
- 2009 • Thailand's Best Human Resources Practitioner Award under the category of CEO and HR professional from Human Resources Institute, Thammasat University
- HR Leadership Award – Global HR Excellence Awards from the World HRD Congress in India

Operations in Brief



Thailand Operations:
Fully Integrated Process



Thailand Operations

The Company has two core fully integrated business lines: Livestock business and Aquatic business. Both business lines operate their businesses by three product types: 1) feed, 2) farm and 3) food with details as follows:

1. Livestock Business

The Company’s livestock business covers broiler, layer, swine and duck. They are categorized into 3 main lines, namely feed, farm and food with details as follows :

1.1 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 over 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.

Corn 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.

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 2010, CPF and its subsidiaries in Thailand purchased raw material used in animal feed production accounting for 33% of cost of sale of goods, where by imported ingredients accounted for 34% of raw material purchased for animal feed production.

The slow-down of economy last year affected the consumption 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.

1.2 Farm

The Company’s livestock farming business includes animal breeder, live animal, fresh eggs and processed livestock meat as follows :

• 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.

• 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.

Major Raw Materials for Animal Breeding

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	imported from Netherlands
• Parent stock chicken layer	from Company-owned farms
• Swine breeder	imported from the US
• Animal drugs	from related companies, domestically
• Animal feed	from company-owned feedmill

On farming, the Company is keen on continuous research and development in these areas – farming technology and techniques suitable for 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 swine farming.

In addition to company-owned farms, the Company promotes chicken broiler and swine 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 European Union to be awarded the Animal Welfare Standard which 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 basic processed meat 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.

1.3 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 and modern trade, e.g., convenience stores, supermarkets and supercenters. Products are also exported through importers in respective market. 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 US, Japan, Hong Kong, China, Russia, UK, Belgium, Germany, Spain, France, Denmark, Italy and United Arab Emirates, etc.

Some of our cooked products available domestically and overseas include soya duck with noodles, frozen karaage chicken, 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 Retail Consortium Standard, a production process and human resource management system, OSHAS 18000, Occupational Safety & Health Administration Management System, ISO 14001, an environment management system, and ISO 18001, workers safety system.

2. Aquatic Business

The Company’s aquatic business covers shrimp and fish. They are categorized into 3 main lines, namely feed, farm and food as follows :

2.1 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.

2.2 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 various countries. Price is dependent on supply and demand or upon agreement based on customer’s specification.

2.3 Food

Products under this category are semi-cooked, cooked shrimp and ready-to-eat product. 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 whereas 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.

Overseas Operations

As of December 31, 2010, 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 Gida Sanayi ve Ticaret A.S. (“CPS”). Main businesses are manufacturing and distribution of animal feed, animal farming and food processing.

2. Aquatic business in China: CPF invested through its direct wholly owned subsidiaries: C.P. Aquaculture (Beihai) Co., Ltd. (“CPB”), operates manufacturing and distribution of aquatic feed and aquaculture farming businesses. C.P. Aquaculture (Hainan) Co., Ltd. (“CPH”), operates aquaculture farming business. C.P. Aquaculture (Dongfang) Co., Ltd. (“CPD”), operates shrimp hatchery business.

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 indirect 100% holding subsidiaries, Star Feedmills (M) Sdn. Bhd. (“SFM”) and Asia Aquaculture (M) Sdn. Bhd. (“AA”), of which Charoen Pokphand Foods (Malaysia) Sdn.Bhd., (formerly 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 direct and indirect 99.99% holding subsidiary, Charoen Pokphand Foods (Overseas), LLC. (“CPF OVERSEAS”). Main businesses are manufacturing animal feed and livestock farming. CPF Agro LLC. is an indirect 99.99% holding subsidiary operates animal farming business.

7. Livestock business in Laos: 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 livestock farming.

8. Aquaculture business in the Philippines: CPF invested through its direct 99.99% 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, 2010, some of the Company’s businesses have been granted significant tax privileges as outlined as follows:

Thailand Operations

Company / Business	Province	Major Privileges	Commencing Year – Expiry Year
Charoen Pokphand Foods Plc.			
Aquatic Feedmill	Samutsakorn	Income Tax Exemption	2004-2012
Grandparent Stock Chicken Farm	Prajinburi	Income Tax Exemption	2003-2011
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
Aquatic Processing Plant	Suratthani	Income Tax Exemption (8 years)	No revenues occur yet
Aquatic Processing Plant	Rayong	Income Tax Exemption (8 years)	No revenues occur yet
Charoen Pokphand Northeastern Plc.			
Chicken Breeder Farm	Petchaboon	50% Income Tax Exemption	2006-2011
Chicken Breeder Farm	Prajinburi	Income Tax Exemption	2003-2011
Bangkok Agro-Industrial Plc.			
Swine Farm	Karnchanaburi	Income Tax Exemption	2004-2012
Swine Farm	Prajinburi, Srakaew, Chonburi	Income Tax Exemption	2005-2013
Duck Breeder Farm and Duck Farm	Saraburi, Prajinburi	Income Tax Exemption	2003-2011
Pullet Farm	Prajinburi	Income Tax Exemption	2007-2015
Swine Farm	Chonburi	Income Tax Exemption	2006-2014
Egg Processing Plant	Nakhon Nayok	Income Tax Exemption	2010-2018
Swine Farm	Suphanburi	Income Tax Exemption	2010-2018
Bangkok Produce Merchandising Plc.			
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
Co-Generation Power Station	Saraburi	Income Tax Exemption (8 years)	No revenues occur yet

Company / Business	Province	Major Privileges	Commencing Year – Expiry Year
CPF Food Products Co., Ltd.			
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
Co-Generation Power Station	Bangkok	Income Tax Exemption (8 years)	No revenues occur yet
Co-Generation Power Station	Bangkok	Income Tax Exemption (8 years)	No revenues occur yet
International Pet Foods Co., Ltd.			
Pet Food Plant	Saraburi	Income Tax Exemption	2004-2012
CPF Premium Foods Co., Ltd.			
Food Processing Plant	Chachoengsao	Income Tax Exemption	2006-2014
Bangkok Food Products Co., Ltd.			
Swine Farm	Prachuabkirikhan	Income Tax Exemption	2006-2014
Swine Farm	Chaiyaphum	Income Tax Exemption	2010-2018
B.P. Food Products Co., Ltd.			
Swine Farm	Rayong	Income Tax Exemption	2007-2015
Swine Farm	Pitsanulok, Prajinburi	Income Tax Exemption	2008-2016
Swine Farm	Srakaew, Prajinburi	Income Tax Exemption	2009-2017

Overseas Operations

Company / Business	Country	Major Privileges	Commencing Year – Expiry Year
C.P. Aquaculture (Beihai) Co., Ltd.			
Aquatic Feedmill	China	50% Income Tax Exemption	2010-2012
C.P. Aquaculture (Dongfang) Co., Ltd.			
Shrimp Hatchery	China	50% Income Tax Exemption	2009-2011
C.P. Laos Co., Ltd.			
Feedmill, Poultry Farm and Swine Farm	Laos	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	2009-2011
Layer Farm	Turkey	Income Tax Exemption	2010-2012
Chicken Breeder Farm	Turkey	Income Tax Exemption	2010-2012
Charoen Pokphand Foods Philippines Corporation			
Swine Farm	the Philippines	Income Tax Exemption (4 years)	No revenues occur yet
Aquatic Feedmill	the Philippines	Income Tax Exemption (4 years)	No revenues occur yet
Star Feedmills (M) Sdn. Bhd.			
Aquatic Feedmill	Malaysia	Income Tax Exemption on 70% of the Statutory Income	2006-2011

Industry Overview

Major Agricultural Products Data in 2010 and prospects for 2011

Source: Bureau of Agricultural Economic Research, Office of Agricultural Economics

Corn

1. Global

1.1 Production

In 2009/2010 the global production of corn increased 1.99% from 797.77 million tons in 2008/2009. Production increases from the United States alone accounted for 8.42%. Other significant increases were from Argentina, Brazil, Nigeria and South Africa. Reduction in corn production in China, the EU, India, Mexico and Ukraine resulted in a moderate increase in overall global production.

Corn production is forecasted to increase by 0.60% from 813.64 million tons in 2009/2010 to 818.52 million tons in 2010/11. The increase is expected to come from Argentina, China, India, Indonesia, Mexico, Serbia and Ukraine, while the production from the United States is targeted to drop by 4.35%.

1.2 Market

1.2.1 Demand

In 2009/2010 the global demand for corn increased 4.17% from 781.10 million tons in 2008/2009. The major demand was from the United States which consumed about 38.28% of total global production or an increase of 8.72% from the previous year. The corn was mainly used for ethanol production. Demand also increased significantly in Argentina, Brazil, China, South Africa, Nigeria, South Korea and Indonesia.

The global demand for corn is expected to increase by 2.90% from 813.68 million tons in 2009/2010 to 837.31 million tons in 2010/2011. This is because of the jump in demand in the United States for ethanol production from 116.03 million tons in 2009/2010 to 121.92 million tons in 2010/2011, or an increase of 5.08%. Significant demand is also expected to increase in Argentina, Brazil, China, India, Mexico, Indonesia, Nigeria and South Africa.

1.2.2 Price

In 2009/2010 the price of corn trading at the Chicago Mercantile Exchange (CME) decreased by 11.48% from USD 168.08 per ton or THB 5,338 per ton in 2008/2009. The decrease was caused by the economic slowdown since 2008 and partly by the increase in substitutes for corn, such as wheat.

It is believed that the price of corn in 2010/2011 will not be lower than in 2009/2010. The price is expected to range between THB 6,000 and THB 6,500 per metric ton. The price increase is in line with the continuous increase in demand for ethanol production in the United States and the reduction of grain supply in Russia due to crop damage caused by the heat wave. Many countries have returned to use corn as raw material to produce livestock feed. Pricing factors will still be dependent on natural disasters and the world oil price.

2. Thailand

2.1 Production

In 2009/2010 Thailand’s production of corn increased 8.71% from 4.25 million tons in 2008/2009. The overall

cultivated area increased 6.13% from 6.69 million rai in 2008/2009, as a result of crop alternation from cassava farming to corn farming due to the spread of the cassava mealy bug (Phenacoccus manihoti). The productivity per rai also increased 2.36% from 635 kilograms in 2008/2009 as a result of sufficient rainfall.

Following the spread of mealy bug and severe damage to cassava plantations, farmers have returned to the planting of corn. The cultivated area for corn is expected to increase by 0.14% from 2009/2010 to 7.11 million rai in 2010/2011. However, the productivity per rai is expected to decrease by 2.92% from in 2009/2010 to 631 kilograms/rai. This is due to the drought during the planting period and the heavy rain and flooding during August-October 2010 which has damaged the output. The gross domestic production is expected to drop by 2.81% to 4.49 million tons.

2.2 Market Overview

2.2.1 Demand

The domestic demand for corn increased by 8.23% from 3.89 million tons in 2008/2009 to 2009/2010, as a result of a return to use of corn as a raw material to

produce livestock feed, replacing cassava. Cassava production was significantly reduced due to the spreading of mealy bug, and the price therefore jumped considerably.

The 2010/2011 demand is forecasted to increase by 1.33%, a rise to 4.28 million tons. This stems from higher demand for livestock feed due to a growth of livestock farming and feedmill business and a return to the use of corn instead of cassava.

2.2.2 Price

The price of corn decreased slightly from 2008/2009 to 2009/2010 in all markets, but was considered relatively good. The slight decrease was due to the economic slowdown and the increase in the supply of alternatives to corn.

In 2010/2011 the local price of corn is believed to be in parallel with the global price which is reasonably good. Thailand is set to expand poultry production and exports, as a result demand for corn as a raw material to produce livestock feed will be higher and help support the price of corn in the local market.

Cultivated Area, Productivity and Consumption of Corn in Thailand (2008/2009 – 2010/2011)

Year	Cultivated Area (million rai)	Production (million tons)	Productivity per Rai (kilograms)
2008/2009	6.96	4.25	635
2009/2010*	7.10	4.62	650
% Change	2.01	8.71	2.36
2010/2011	7.11	4.49	631
% Change	0.14	(2.81)	(2.92)

Note : * September 2010 estimates
Source : Centre for Agricultural Information, Office of Agricultural Economics

Farm Gate Price, Wholesale Price in Bangkok, Export Price and Price at CME* of Corn
(2008/2009 – 2009/2010)

Year	Farm Gate Price (THB/Kg.)	Wholesale Price in Bangkok		Export Price (THB/Ton)	CME* (THB/Ton)
		Animal Feedmill's Price (THB/Kg.)	Silo's Price (THB/Kg.)		
2008/2009	7.04	8.07	7.25	8,314	5,338
2009/2010	6.79	6.62	6.31	6,841	4,725
% Change	(3.55)	(17.97)	(12.97)	(17.72)	(11.48)

Remark : * Chicago Mercantile Exchange
Source : Center for Agricultural Information and Bureau of Agricultural Economic Research, Office of Agricultural Economics

Soybean

1. Global

1.1 Production

For the period 2009/2010, all three major producers (the United States, Brazil and Argentina) retained their global production market share at 214.92 million tons or 82.69% of the total global production of 259.92 million tons. Global production increased by 22.63%, equivalent to 47.96 million tons, from 211.96 million tons in 2008/2009, when Brazil and Argentina were encountering severe impacts from global warming and El Nino phenomenon.

The world’s largest soybean producer (the United States) is targeted to increase soybean production by 1.47% from 91.42 million tons in 2009/2010 to 92.76 million tons in 2010/2011. Following the El Nino and global warming impacts, Brazil and Argentina are set to produce only 67.00 and 50.00 million tons respectively in 2010/2011, decreases of 2.90% and 8.26%, respectively. Their production in 2009/2010 was 69.00 and 54.50 million tons, respectively. As a result, the global soybean production is expected to decrease by 1.79% from 259.92 million tons in 2009/2010 to 255.26 million tons in 2010/2011.

1.2 Market

1.2.1 Demand

Global demand for soybeans rose by 8.57%, or 16.51 million tons, from 192.71 million tons in 2008/2009 to 209.22 million tons in 2009/2010. The biggest year-

on-year demand increase was from China, resulting in a substantial drop in global soybean inventory at year-end to 43.98 million tons.

The global demand for soybeans is expected to increase by 6.17% from 209.22 million tons in 2009/ 2010 to 222.12 million tons in 2010/2011. The increase is derived from value-adding policies implemented by Argentina and China. Both countries have launched campaigns to convert all domestic soya seeds into soybean oil and residues. Moreover, global demand and consumption have continuously increased.

2. Thailand

2.1 Production

Thailand has 0.75 million rai of soybean cultivated area and produced 0.19 million tons of soybeans, with a productivity rate of 252 kilograms per rai, for the period 2010/2011. The reduction in cultivated area was a reflection of a lack of good and durable seeds and lower economic return when compared with off-season rice and corn.

It is believed that in 2011, Thailand will have 0.74 million rai of soybean cultivated area, with a gross production of 0.19 million tons and productivity of 253 kilograms per rai.

2.2 Market

2.2.1 Demand

The average domestic demand increased at a rate of 2.78% per annum during the period of 2006-2010, from 1.62 million tons in 2006 to 1.87 million tons in 2010. Soybeans are primarily used for producing cooking oil, food processing, seeding and for export, with percentages of use at 71.51, 27.59, 0.82 and 0.08, respectively.

Demand for soybeans is expected to increase from 1.87 million tons in 2010 to 2.07 million tons in 2011, an increase of 10.70%. Domestic production will account for 9.18%, while 90.82% will come from imports.

2.2.2 Imports

With its limited indigenous supply, Thailand continuously imports soybeans at 90% of the overall demand. The imports during 2006-2010 were from 1.40-1.72 million tons, an average at 1.57 million tons, with import value of around THB 18,814 million annually. Thailand imported soybeans mostly from Brazil, Argentina, the United States and some neighboring countries.

2.2.3 Price

Domestic prices of seed and soybean oil generally moved in parallel with the global prices. In 2010 the price of seed and soybean oil are as follows:

- Farm gate price of mixed soya seeds during January-October 2010 averaged THB 14.24 per kilogram, a 0.56% increase from THB 14.16 per kilogram in 2009.
- The price of imported soya seeds during January-September 2010 averaged THB 14.27 per kilogram, a drop of 8.99% from THB 15.68 per kilogram in 2009.
- The wholesale price of soybean oil for the period January-September 2010 averaged THB 42.17 per kilogram, dropping from THB 43.12 per kilogram in 2009, or by 2.20%.

The price of soybeans in 2011 is expected to be slightly higher from 2010. The farm gate price of mixed soya seeds are expected to be priced between THB 14.50 and 15.00 per kilogram.

Cultivated area, Production and Productivity per Rai of Soybean inThailand (2009/2010 – 2011/2012)

Description	2009/2010	2010/2011	% Change	Forecast (2011/2012)	% Change
1. Cultivated area (million rai)	0.75	0.75	-	0.81	8.00
2. Productivity per rai (kilograms)	251	252	0.40	254	0.79
2. Total production (kilograms)	0.19	0.19	-	0.21	10.53

Source: Center for Agricultural Information, Office of Agricultural Economics

Prices of Soybeans in Thailand (2009 – 2010)

Unit: THB/kilogram

Item		2009	2010*	% Change
1. Soya seed	- farm gate price	14.16	14.24	0.56
2. Import price	- Koh Sichang	15.68	14.27	(8.99)
	- CME**	13.02	11.83	(9.14)

Remark : * October 2010 estimates
** Chicago Mercantile Exchange

Fishmeal

1. Global

1.1 Production

The global production of fishmeal increased from 4.50 million tons in 2009 to 5.04 million tons in 2010, an increase of 12.00%. The world’s top five fishmeal producers are Peru, Chile, Denmark, Norway and Iceland.

The global fishmeal production in 2011 is expected to be at par or slightly less than 2010 as a result of changes in climate and ocean currents. The world’s major fishmeal producers, Peru and Chile, adhere to a sustainable seafood conservation policy which specifies the period and quota of natural seafood captured, resulting in a limited capacity of raw materials to produce fishmeal. China the largest user of fishmeal is also increasing its consumpton considerably. Prices of fishmeal in the world market are therefore increasing continuously.

1.2 Market

1.2.1 Demand

The world consumed 5.35 million tons of fishmeal in 2010, a 10.08% increase from 4.86 million tons in 2009. The continuous increase of demand reflects the ongoing drop in natural seafood capture. The aquatic farming industry has been increasing, as has the use of fishmeal, as it is the main raw material for aquatic feed. The world's largest aquatic farming country is China. China is therefore the largest user of fishmeal. China imports more than 50% of all global exports. Other major importers are Germany, Japan and Taiwan.

2. Thailand

2.1 Production

Thailand’s fishmeal production during 2006-2010 dropped 0.14% per annum due to a reduction in seafood and trash fish capture. To alleviate this problem, some fishmeal companies have adjusted the

feed formulas by lowering the natural raw materials with leftovers from the canned tuna industry and from the seafood processing industry, whenever trash fish is insufficient. In addition, Thailand has successfully negotiated with many countries, particularly members of Asean, to increase fishing capacity in international waters. Thailand's gross fishmeal production rose from 0.44 million tons in 2009 to 0.52 million tons in 2010, an increase of 17.38%.

The Thai Fishmeal Producers Association forecasts that the domestic production of fishmeal in 2011 will be close to the 2010 level due to limitation in raw materials and high oil prices which limits fishing activities. The Association also predicts the fishmeal price in 2011 to be reasonably good and in parallel with the world’s market price, while the domestic demand will be similar to the previous years.

2.2 Market

2.2.1 Demand

Domestic consumption of fishmeal is generally close to total production, between 0.40 – 0.47 million tons. The demand has gradually been increasing in the last five years, during 2006 – 2010, at 0.87% per annum. Fishmeal is mainly used as a raw material to produce aquatic feed, such as shrimps feed, and fish feed. Fishmeal is also used as a raw material to produce livestock feed, but not in substantial amounts.

2.2.2 Price

Domestic pricing of fishmeal is referenced to international markets including Chile and Peru. Pricing is set according to the level of protein. In addition, domestic pricing is also determined by the relative odor and freshness of fishmeal. Major animal feed manufacturers usually call for periodical fishmeal procurement. Fishmeal producers generally use prices set by animal feed manufacturers as the base for purchasing prices of trash fish from fishermen at a standard conversion rate of trash fish to fishmeal at 4 to 1.

Production, Demand, Imports and Exports of Thai Fishmeal (2006–2010)

Unit: million tons

Item	2006	2007	2008	2009	2010*	Average Growth Rate (%)	% Change**
Production	0.48	0.52	0.43	0.44	0.52	(0.14)	17.38
Year-end inventory	0.42	0.52	0.42	0.44	0.48	0.87	8.45
Imports	0.004	0.004	0.001	0.002	0.001	(29.29)	(100.00)
Exports	0.069	0.006	0.005	0.007	0.045	(6.77)	542.86

Remarks : * Estimated data ** Difference from 2010 to 2009
Sources : Bureau of Agricultural Economic Research, Office of Agricultural Economics (in cooperation with the Thai Fishmeal Producers Association and Thai Customs Department)

Average Price of Fishmeal in Various Local and International Markets (2006–2010)

Unit: THB / kilogram

Item	2006	2007	2008	2009	2010*	Average Growth Rate (%)
Wholesale price, protein < 60%, Number 2 ^{1/}	25.68	20.81	28.15	31.09	30.72	7.90
Wholesale price, protein > 60%, Number 2 ^{1/}	27.00	23.23	29.22	32.09	31.62	6.59
F.O.B. Peru ^{2/}	35.51	30.88	28.88	32.63	49.78	7.58

Remark : * Estimated data
Sources : ^{1/} Fish Marketing Organization ^{2/} Thai Fishmeal Producers Association

Broiler

1. Global

1.1 Production

The global production of broilers rose by 3.34% from 72.00 million tons in 2009 to 74.41 million tons in 2010. The United States remained the world’s largest broiler producer, accounting for 16.35 million tons. Other major producers were China 12.55 million tons, Brazil 11.42 million tons and EU 8.92 million tons.

The world is expected to export and consume more chicken. The production is projected to rise by 2.42% to 76.21 million tons in 2011. China and Brazil will likely dominate the global increase at 3.59% and 2.89% respectively.

1.2 Market

1.2.1 Demand

The world consumed 73.32 million tons of broilers in 2010, a rise of 2.80% from 71.33 million tons in 2009. Major consumers were the United States 13.43 million tons, China 12.50 million tons and the EU 8.76 million tons.

The global demand for 2011 will likely be 75.23 million tons, a rise of 2.60% compare to 2010. The world’s largest consumers will continue to be the United States 13.67 million tons, China 12.89 million tons and the EU 8.87 million tons.

1.2.2 Exports

The global exports of broilers climbed 2.64% from 8.44 million tons in 2009 to 8.67 million tons in 2010. As a result of the impact of Bird Flu since 2003, Brazil has replaced the United States as the world’s largest exporter. The top four global exporters in 2010 were Brazil (3.35 million tons), the United States (2.93 million tons), the EU (0.84 million tons) and Thailand.

The global exports are expected to climb by 3.32% from 8.67 million tons in 2010 to 8.95 million tons in 2011. The United States and Brazil will maintain their status, with combined exports accounting for 72.21% of the world’s total export volume.

1.2.3 Imports

The 2010 global imports dropped by 0.29% from 7.62 million tons to 7.60 million tons. Russia, the world’s 2010 largest importer, imported 0.47 million tons, a drop of 47.97% from 0.91 million tons in 2009. The success in limiting broiler imports came from a jump in domestic production and implementing a quota system, similar to policies launched in Japan, China and the EU.

The global imports of chicken are likely to increase by 5.24% to 8.00 million tons in 2011. Major importers will continue to be Japan, the EU and Russia, with import targets of 0.76, 0.71 and 0.60 million tons, respectively. In addition, anticipated high price for beef from shortage of global supply should benefit chicken consumption.

2. Thailand

2.1 Production

Thailand raised its production by 3.12% from 917.26 million birds in 2009 to 945.86 million birds in 2010. The increase reflected higher demand following a global economic recovery since the end of 2009.

As a result of projected population increase and export

growth, Thailand is expected to increase production by 1.75% to 962.42 million birds in 2011.

2.2 Market

2.2.1 Demand

Chicken meat consumption rose by 0.12% from 878,014 tons in 2009 to 879,070 tons in 2010.

Consumption is expected to increase by 0.25% from 879,070 tons in 2010 to 881,270 tons in 2011. Domestic consumption accounted for 67.97% of total production.

2.2.2 Exports

Thailand has gradually increased its export of processed chicken afer the Bird Flu epidemic in 2004. In 2010 export volume of chicken meat is estimated to increase to 417,500 tons with a total value of THB 51,109 million. Frozen chicken accounted for 27,500 tons, with a value of THB 1,797 million. Processed chicken accounted for 390,000 tons or 94% of total exports, with a value of THB 49,312 million. The increases in quantity and value resulted from the successful JTEPA agreement between Thailand and Japan to lower import duties for Thai processed chicken from 5.5% to 5%, and the quota granted by the EU to Thailand for 160,033 tons at an import duty of 8%. Thailand’s major export destinations are the EU 49%, Japan 46% and others 5%.

Exports to the EU have reached the quota of 160,033 tons. Additional exports to the EU will be subject to an extra tariff equivalent to 1,024 euro/ton. This will limit the export increase to a certain degree. However, the trade accord between Thailand and Japan (JTEPA), effective since November 1, 2007, which lowered the tariff of chicken meat from Thailand to 5% and the temporary exemption to the import prohibition of chicken meat and chicken products from Thailand by the Saudi Arabia, effective since August 18, 2008, will help increase exports. It is projected that the export of chicken meat and chicken products will increase by

4.91% from 417,500 tons in 2010 to 438,000 tons in 2011, with total value of THB 53,670 million. The top two export destinations will still be the EU 48% and Japan 46%. The remaining 6 % will include Singapore, South Korea, Canada and Vietnam.

2.2.3 Price

• Farm gate price

Following a price jump in animal feed, which accounts for 70–80% of total cost for chicken production, the average broiler price rose 13% from THB 38.14 per kilogram in 2009 to THB 43.10 per kilogram in 2010.

It is expected that the price of broilers will increase by 3.25% from THB 43.10 per kilogram in 2010 to THB 44.50 per kilogram in 2011. The increase results from higher production costs due to higher prices of raw material used in animal feed production and oil.

• Export prices

The export frozen chicken prices increased by 4.21% from THB 62.72 per kilogram in 2009 to THB 65.36 per kilogram in 2010. However, due to higher competition in the global market, especially from Brazil which has lower production cost since Brizil is a major source for raw material used in animal feed production, the export processed chicken price dropped by 5.65% from THB 134.01 per kilogram in 2009 to THB 126.44 per kilogram.

The export price for frozen chicken meat will likely to increase by 4.04% from THB 65.36 per kilogram in 2010 to THB 68.00 per kilogram in 2011. For processed chickens, the average price will rise by 1.2% from THB 126.44 per kilogram to THB 128.00 per kilogram in 2011.

Production, Consumption and Export of Thai Broilers and Products (2009–2011)

Year	Production ^{3/} (million birds)	Production (tons)	Consumption (tons)	Export (tons)		
				Fresh Chicken	Processed Chicken	Total
2009	917.26	1,257,365.33	878,014.33	25,227	354,124	379,351
2010 ^{1/}	954.86	1,296,569.75	879,069.75	27,500	390,000	417,500
% Change	3.12	3.12	0.12	9.01	10.13	10.06
2011 ^{2/}	962.42	1,319,269.94	881,269.94	28,000	410,000	438,000

Remarks : ^{1/} Preliminary data ^{2/} Estimated data
^{3/} Conversion rate has been adjusted from 2 kilograms/chicken to 2.18 kilograms/chicken since 2009.
Sources : Office of Agricultural Economics and Thai Customs Department

Farm Gate Price and Export Price of Thai Broilers (2009–2011)

Unit: THB / kilogram

Item	2009	2010 ^{1/}	% Change	2010 ^{2/}
Farm gate price of broilers	38.14	43.10	13.00	44.50
Export prices				
• Frozen chicken	62.72	65.36	4.21	68.00
• Processed chicken	134.01	126.44	(5.65)	128.00

Remarks : ^{1/} Preliminary data, ^{2/} Estimated data
Source : Office of Agricultural Economics

Eggs

Thailand

1.1 Production

Thailand’s egg production increased by 1.45% from 9,618 million eggs in 2009 to 9,757 million eggs in 2010. The productivity increased at a rate of 0.69% from 290 eggs/chicken/year to 292 eggs/chicken/year. This increase resulted from improvements in breeding technology and chicken farming.

The Center for Agricultural Information, Office of Agricultural Economics, has projected that the total output will rise by 1.32% from 9,757 million eggs in 2010 to 9,885 million eggs in 2011, based on an exemption to allow imports of layer chicken breeders both at parent stock (PS) and grand parent stock (GP) layers in 2010 and partially in 2009. The exemption has been granted by the Egg Board to alleviate the shortage of layer breeders to an appropriate level. The actual import of parent stock in 2010 was around 60,000 – 100,000 breeders compared to the planned program of 405,721 breeders. This will impact the overall production volume in 12-13 months after the actual import or around late 2011. The Egg Board has policy to controll imports of layer chicken breeders both at parent stock (PS) and grand parent stock (GP) layers since 2009; as a result the total output of eggs in 2010 was very close to the volume in 2009.

1.2 Market

1.2.1 Demand

The domestic consumption accounted for 96% of production in 2010. The demand for eggs increased by 3.59% from 9,268.01 million eggs in 2009 to 9,600.27 million eggs in 2010. Thailand’s consumption rate was 142 eggs/person/year, which is very low when compared to the rates in China, Japan and Taiwan. Perception of high cholesterol from eggs contributed to the lower consumption rate in Thailand.

Following the joint public-private public relations campaign to consumers to promote egg consumption and proper nutrition in 2010, it is expected that the consumption demand for 2011 will be very close to the actual volume of 2010.

1.2.2 Exports

Thailand exports two types of products, fresh eggs and egg products which include mixed pasteurized eggs, pasteurized egg yolk, mixed powdered eggs and powdered albumen.

• Fresh eggs

Export of fresh eggs fluctuates from year to year, depending on productivity. Thailand exports eggs to relieve the oversupply of egg production in the domestic market to maintain local strategic pricing. About 70-80% of total exports of fresh eggs go to Hong Kong. The total exports dropped from 349.99 million eggs with a total value of THB 823.04 million in 2009 to 156.73 million eggs with a total value of THB 406.45 million in 2010. This is a decrease of 55.22% in export volume and 50.62% in value, as a result of a shortage of eggs supply in domestic market.

• Processed egg products

The export volume of processed egg products rose from 2,844.35 tons in 2009 to 3,403.23 tons in 2010. Total export value decreased from THB 304.33 million in 2009 to THB 283.68 million in 2010. This is an increase of 19.65% by volume but a decrease of 6.79% in value.

Thailand is likely to increase its export volume in 2011, especially around later 2011, to maintain its export market position, locate additional markets for any oversupply and stabilize domestic prices.

1.2.3 Price

• Farm gate price

The farm gate price increased by 10.9% from THB 2.37 per egg in 2009 to THB 2.63 per egg in 2010. The increase was due to higher animal feed prices and control measures on the import of layer chicken breeders (parent stock) since 2009. The measures were launched to control production volume to meet the domestic demand, but have also triggered a price increase.

• Export price

The export price was up by 10.21% from THB 2.35 per egg in 2009 to THB 2.59 per egg in 2010. The average export egg product price, however, dropped by 22.08% from THB 106,980 per ton in 2009 to THB 83,356 per ton in 2010.

The Egg Board has planned more campaigns in 2011 to increase domestic consumption to stabilize prices of eggs in the market. However, the 2011 price will likely be similar, or slightly up at best, to the 2010 level. Despite the additional campaigns on egg consumption, egg price in late 2011 is projected to fall seasonally and will be impacted by increased imports of parent stock in 2010.

Production, Export and Consumption of Thai Eggs (2009-2011)

Item	2009	2010*	% Change	2011**
Production volume ^{1/} (million eggs)	9,618.00	9,757.00	1.45	9,885.00
Export volume ^{2/} (million eggs)	349.99	156.73	(55.22)	350,000***
Consumption volume ^{1/} (million eggs)	9,268.01	9,600.27	3.59	N/A
Consumption per capita (eggs/person/year)	139.00	142.00	2.16	N/A

Remarks : * Preliminary data ** June 2010 estimated data *** Egg Board estimation
Sources : ^{1/} Office of Agricultural Economics ^{2/} Thai Customs Department

Farm Gate Price and Export Price of Thai Eggs (2009 – 2010)

Item	2009	2010*	% Change
Farm gate price (THB/egg) ^{1/}	2.37	2.63	10.97
Export price ^{2/} - Fresh egg (THB/egg)	2.35	2.59	10.21

Remark : * Estimated Data
Sources : ^{1/} Office of Agricultural Economics ^{2/} Thai Customs Department

Swine

1. Global

1.1 Production

The global swine production climbed by 1.03% from 100.47 million tons in 2009 to 101.51 million tons in 2010. The increase came from Russia, China and Brazil by 2.95%, 2.24% and 1.28%, respectively. Heavily supported by the government, China swine producers have successfully recovered production since the industry was hard hit by the Blue Ear disease, or PRRS (Porcine Reproductive & Respiratory Syndrome, or mystery swine disease), in 2007. While EU output showed no change, output from the United States and Canada dropped at a rate of 3.73% and 2.18%.

It is projected that China, the United States, Brazil and Russia will be able to increase their swine output by 3.00%, 1.51%, 2.84% and 1.76%, respectively. The global output is therefore expected to increase by 1.86% to 103.39 million tons in 2011. The EU is expected to maintain their annual output while Canada is likely to ease their output by 1.71% due to stricter control of financial loans and environmental regulations.

1.2 Market

1.2.1 Demand

World pork consumption climbed slightly by 0.78 % from 100.34 million tons in 2009 to 101.13 million tons in 2010. Major consumers were China, the EU, the United States, Russia and Japan, respectively.

World pork consumption is expected to increase, except for the United States, the EU and Japan, where the consumption pattern has been stagnant. The global demand is projected to rise by 1.97% to 103.12 million tons in 2011. People in Hong Kong will retain the highest pork consumption at 70.3 kilograms/person/year.

1.2.2 Exports

The global exports of pork rose by 7.29% from 5.64 million tons in 2009 to 6.05 million tons in 2010. The rise resulted from increased exports from the United States 9.15% and EU 20.14%. China, a pork export competitor to Thailand, increased its exports by 7.76%. Brazil, with increasing domestic consumption, reduced their exports of pork by 11.60%.

The overall global exports in 2011 are likely to be 6.07 million tons, slightly higher than the 6.05 million tons in 2010. The United States will likely retain their leading position with 4.64% increase year-on-year, as depreciation of the US currency has increased its competitiveness. While Canada, Brazil and China will increase their export by 4.44%, 2.40% and 12.00%, while the EU and others exporting countries will drop their export by 8.82% and 7.08%, respectively.

1.2.3 Imports

Import volume for pork of major importing countries for 2010 totaled 5.65 million tons, an increase of 2.43% from 2009’s 5.51 million tons with greater consumption of pork from most of the importing countries except Korea where pork imports declined by 2.56%.

Forecast import volume for pork in 2011 is around 5.81 million tons or a 2.83% increase over 2010 with Canada and South Korea leading the increase whereas imports to Russia will likely remain flat. Pork import to Hong Kong is likely to increase by 0.38 million tons, a 2.70% increase over 2010.

2. Thailand

2.1 Production

The average price of swine throughout 2009 stood at a high level, while feed prices were down from 2008. As a result total production of swine in 2010 was 12.12 million swines, up 2.96 % from 11.77 million swines last year.

The Center for Agricultural Information, Office of Agricultural Economics, projected an increase of 2.16% from 12.12 million swines to 12.38 million swines in 2011. While the price is attractive, the higher price of feed will likely cap the production volume.

2.2 Market

2.2.1 Demand

The demand for swine rose by 4.85% from 0.89 million tons in 2009 to 0.93 million tons, or 11.61 million swines in 2010. The rise reflected the improved economy and higher need for pork.

Thailand is projected to consume more pork in 2011 due to higher swine production and continuous economic recovery.

2.2.2 Exports

Exports of pork and processed pork account for only 1% of the total output of pork due to strict control by all countries after the highly contagious Foot and Mouth Disease (FMD) became an issue. The majority of fresh pork goes to Hong Kong, while processed pork mostly goes to Japan. Live swine are generally exported to neighboring countries, including Cambodia, Laos and Myanmar. Total pork exports dropped from 2,648 tons, with a total value of THB 141.50 million in 2009, to 1,000 tons with a total value of THB 55 million, a drop of 62.24% in volume and 61.13% in value. However, the export of processed pork went up from 6,616 tons, with a value of THB 1,617.06 million in 2009 to 8,000 tons with a value of THB 1,832 million in 2010, an

increase of 20.92% in volume and 13.29% in value. For live swine, exports declined from 438,079 swines valued at THB 1,786.02 million in 2009 to 290,000 swines valued at THB 1,263 million in 2010. This is a drop of 33.80% in volume and 29.28% in value. Part of the drop was due to a Cambodian decision to replace imports from Thailand with Vietnamese swine. Vietnam exported swine at a huge drop in price due to local spread of PRRS.

The 2011 export volume will likely remain flat due to increased competition from Chinese, and the stronger value of the Thai Baht versus the Chinese Renminbi when compared to the US Dollar. However, processed pork exports will continue to rise.

2.2.3 Price

Because of the spread of PRRS in 2010 and PED (Porcine Epidemic Diarrhea) in November 2009, farmers produced less swine to supply the market. With limited supply, price of swine rose by 5.49% from THB 56.88 per kilogram in 2009 to THB 60.00 per kilogram in 2010. However, more swine were supplied to the market in late 2010, and the price was therefore reduced.

The 2011 farm gate price is projected to be very close to the 2010 level due to equilibrium of demand and supply in the market resulting from increasing of supply which will be in line with the anticipated increase of consumption. However, due to the stronger Thai Baht, export prices of fresh pork and processed pork will likely drop.

Thailand Pork Production, Export and Consumption (2009 – 2011)

Item		2009	2010*	% Change	2011**
Production ^{1/}	(million pigs)	11.77	12.12	2.96	12.38
	(million tons)	0.94	0.97	3.19	0.99
Export ^{2/}	(tons)	9,264	9,000	(2.85)	10,000
Consumption ^{3/}	(million tons)	0.89	0.93	4.49	0.94

Remarks : * Preliminary data, ** Estimated data
Sources : ^{1/, 3/} Office of Agricultural Economics ^{2/} Thai Customs Department

Farm Gate Price, Export Price and Import Price of Thailand Swines and Products (2009 – 2010)

Item	2009	2010*	% Change
Farm gate price ^{1/} (THB/kg)	56.88	60.00	5.49
Export price ^{2/} (THB/kg)			
- Pork	53.00	55.00	3.77
- Processed pork	244.00	229.00	6.15

Remark : * Estimated Data
Sources : ^{1/} Office of Agricultural Economics ^{2/} Thai Customs Department

Shrimp

1. Global

1.1 Production

All major shrimp producers encountered a combination of problems: 1) China experienced a historic cold winter. 2) Thailand had long drought and heavy rain as well as cold winter at year-end. 3) Indonesia, Bangladesh, Vietnam and other Latin American countries went through high heat and the spread of IMN (Infection Myonecrosis virus). The survival rate of cultured shrimp was lower than in previous years. As a result, the global output of cultured shrimp dropped by 7.14% from 2.10 million tons in 2009 to 1.95 million tons in 2010.

The global output in 2011 is projected to be close to the 2010 level. There are many negative impacts affecting shrimp production, including fluctuations in weather, which significantly impact the planned output and growth pattern of shrimp, and contagious diseases in many major producing areas of the world, which have resulted in farm abandonments or resizing to avoid a wider spread of diseases.

1.2 Market

1.2.1 Exports

The global exports of shrimp and products dropped 4.67% in volume but rose by 3.74% in value, to 1.90 million tons with a value of US\$14.04 million in 2010. This reflects the lower global output and continual

higher demand due to economic recovery in major consuming countries, including the United States and Japan. The world market price was at a high level, resulting in the higher value of global exports. Thailand was the world’s largest exporter of shrimp and products, with a market share of 23.04% of total global exports. Other major exporters were China, Ecuador and India, with market shares of 15.13%, 10.19% and 9.37%, respectively.

1.2.2 Imports

Major countries and groups of countries importing shrimp and products included:

1) The EU - Although the import volume of shrimp to the EU market has continuously dropped over the last 5 years (2006 – 2010) at a rate of 0.09% per annum, imports from Thailand increased by 43.61% over the period. The 2010 import volume was 616,277 tons, increasing 3.97% from 592,759 tons in 2009. Thailand is the main supplier of shrimp to the EU accounting for 12.84% of total imported volume. Imports from Ecuador, India and Vietnam accounted for 11.79%, 9.14% and 7.69% of total imported volume, respectively. Most of the imported products from Thailand were chilled and frozen shrimp.

2) The United States - The import volume of shrimp in the last five years (2006 – 2010) grew at 2.69% per annum. Following the economic recovery of 2010, the US imported 1.40% more from 597,228 tons in 2009 to

605,567 tons in 2010. Imports were from Thailand, Ecuador, Indonesia and China, accounted for 34.25%, 11.22%, 9.46% and 8.02% of total imported volume.

3) Japan - Japan experienced an economic slowdown during the last five years (2006 – 2010) and therefore reduced imports of chilled and frozen shrimp at a rate of 2.90% per annum. However, the Japanese economy has picked up, and so the chilled and frozen shrimp imports increased by 2.90% from 197,574 tons in 2009 to 203,307 tons in 2010. The largest import volume was from Vietnam with a market share of 22.10%. Vietnam is known for its ability to produce large black tiger shrimp (30-35 pieces/kilogram) which is a Japanese favorite. Other imports were from Thailand, Indonesia and India, with market shares of 18.84%, 15.82% and 13.22%, respectively. However, considering import statistics during the last five years, imports from all destinations have declined, with the exception of imports from Thailand, which rose by 16.02% per annum. This clearly demonstrated continuously higher confidence by the Japanese in Thai shrimp.

The 2011 world market price for shrimp and products will remain attractive because the global economy is on the rise while supply is limited. However, importers will obviously demand higher-quality products through superior non-tax standards or hurdles, such as non-destructive environment production or use of legitimate labor for shrimp production and shrimp processing.

2. Thailand

2.1 Production

Thailand’s sea shrimp production in the last five years (2006 – 2010) grew by 2.58% per annum. Out of this total, 88% were from shrimp farming, and the remaining was from natural catch. The total 2010 cultured shrimp output dropped by 10.04% from 566,900 tons in 2009 to 510,000 tons. The drop was caused by controlling supply by shrimp farmers to avoid a price collapse.

In addition, there were some problems with farming and fishing shrimp, including weather fluctuations, drought early in the year and heavy rain in the latter part of the year, as well as contagious but controllable diseases in some areas, which reduced the survival rate of shrimp. Heavy floods in late 2010, especially in the South, forced farmers to retrieve their shrimp before losing them all, which resulted in substandard sizes and weights. The average production cost of white vannamei shrimp rose by 1.04% from THB 98.09 per kilogram in 2009 to THB 99.11 per kilogram in 2010. This rising cost resulted from slightly higher feed costs, especially fishmeal, which is the main raw material of shrimp feed.

Because of the skyrocketing global demand, Thailand’s shrimp output in 2011 is expected to increase 2% to 520,000 tons. While domestic consumption is expected to be maintained at around 80,000 tons, Thailand is set to increase the export volume as the world’s competitive producers adjust to the spread of contagious diseases and unpredictable climate change.

2.2 Market

2.2.1 Demand

Only 10-15% of the overall output of Thai shrimp is consumed domestically, roughly 80,000 tons in 2010. The remaining 85-90% is used as raw materials for producing shrimp products for export.

2.2.2 Exports

Exports of Thai shrimp, including chilled and frozen shrimp, cooked shrimp and other shrimp products, increased from 399,412 tons, valued at THB 93,612 million in 2009, to 438,500 tons, valued at THB 90,165 million. This is an increase of 9.79% by volume and 3.68% by value. Major international consumers are the Americans and Europeans, who prefer to import chilled and frozen shrimp to cook in their own styles for their customers. The Japanese markets prefer the semi-cooked shrimp for household cooking to avoid

expensive dining-out. The Japanese therefore prefer sizeable and high-quality shrimp, particularly black tiger shrimp because they provide more fancy colors than the white vannamei. Most Thai shrimp for export, 56.27% by volume, are chilled and frozen shrimp.

Thailand shrimp exporters will continue to face many problems including trade barriers such as unreasonable standards for the quality of products and maximum residue level in products, and economic slowdown of major trading partners like the United States, Japan and the EU. However, its competitive advantages, including high quality, high standard of food safety, traceability to the farm level and local and international certification will help Thailand maintain acceptance among its international consumers. Moreover, Thailand has plenty of raw materials all year round and therefore can produce and export to any market at any time, even with short notice. Thailand will likely enjoy a continuous increase in shrimp exports in 2011, although the increase may not be substantial.

2.2.3 Prices

• Farm gate price

The farm gate price for white vannamei shrimp of 61-70 pieces/kilogram in 2010 rose 0.94% from THB 106 in 2009 to THB 107.

• Export price

The export price generally depends on the world market price and the exchange rate between the Thai Baht and US Dollar. Compared to the 2009, the 2010 export price dropped by 6.34% in Thai Baht but rose by 0.32% in the US Dollar.

It is expected that the farm gate price in 2011 will remain good, as long as farmers can maintain good sizes and weights by controlling volume and density of shrimp larvae in the farms. Farmers should pay attention to the strengthening of the Thai Baht and the weakening of the Vietnamese Dong.

Volume and Value of Shrimp and Products Export from Thailand (2009 – 2010)

Unit: Volume:tons, Value: THB million

Item	2009		2010*		% Change	
	Volume	Value	Volume	Value	Volume	Value
Total shrimp and shrimp products export	399,412	93,612.46	438,500	90,165.09	9.79	(3.68)
1. Chilled and frozen fresh shrimp	219,308	46,089.77	246,766	48,574.38	12.52	5.39
2. Processed shrimp	178,959	47,190.67	190,466	41,278.67	6.43	(12.53)
3. Other shrimp products	956	194.38	1,128	204.15	17.99	5.03
4. Live shrimp	189	137.64	140	107.88	(25.93)	(21.62)

Remark : * Estimate

Economic Overview of Countries in which the Company has Overseas Operations

Turkey Economic Overview

Turkey has a dynamic economy. It is a complex mix of modern industry and commerce along with a traditional agriculture sector that still accounts for about 30% of employment and contributing 9% to the GDP. The country is among the world’s leading producers of agricultural products, textiles, motor vehicles, ships and other transportation equipment, construction materials, consumer electronics and home appliances. Turkey has a growing private sector in many fields.

Real GDP growth of Turkey has exceeded 6% in many years. Due to global economic crisis GDP contracted by about 4.7% in 2009 but it is expected GDP to expand about 7% in 2010. Turkey’s financial markets and banking system also affected by the 2009 global financial crisis but not suffer significant declines due to banking and structural reforms implemented during the country’s own financial crisis in 2001. Economic fundamentals are sound. Further economic and judicial reforms and prospective EU membership are expected to continue boosting foreign direct investment.

Average Production Cost and Selling Price of White Vannemei Shrimp (2009 – 2010)

Year	Production Cost (THB/kg.)	Farm Gate Price (61-70 pieces/kg.)	Farm Gate Price (70 pieces/kg.)	Export Chilled and Frozen Shrimp Price (THB/kg.)	Export Chilled and Frozen Shrimp Price (US\$/kg)
2009	98.09	106	105	210.16	6.16
2010*	99.11	107	111	196.84	6.18
% Change	1.04	0.94	5.71	(6.34)	0.32

Remark : * Estimated production cost of white vannamei shrimp (70 pieces/kg.)

Source : Office of Agricultural Economics

Growth of Gross Domestic Product (GDP) and Inflation Rate

Unit: percent

	2009	2010
Gross Domestic Product (GDP)	(4.7)	7.2*
Inflation Rate	6.5	6.4

Remark : * Estimated Data

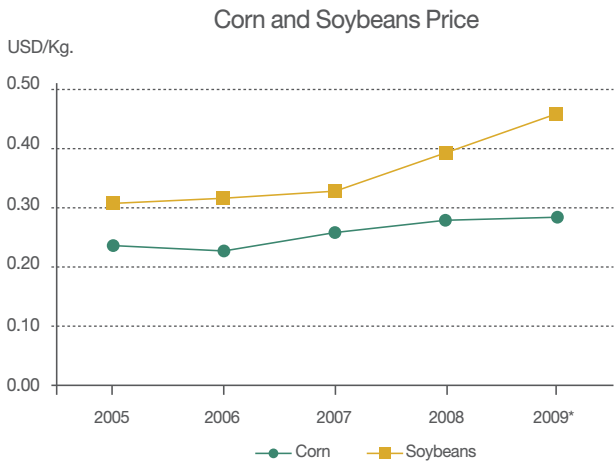
Price Statistic of Major Agricultural Products

Products	2009	2010	% Change
Corn (USD/Kg.)	3.06	3.65	19.28
Soybean (USD/Kg.)	5.20	5.98	15.00
Live Broiler (USD/Kg.)	1.16	1.36	17.24

Turkey’s Agriculture Sector Overview 2010

Agriculture sector is one of the indispensable sector in Turkey. Turkey is the world’s largest producer of hazelnut, cherry, fig, apricot, quince and pomegranate; the second largest producer of watermelon, cucumber and chickpea; the third largest producer of tomato, eggplant, green pepper, lentil and pistachio. Turkey has been self-sufficient in food production and the agriculture output has been growing. Turkey has lack of soyabean production, soyabean production is not growing because of yield & price imbalance and Turkey imports around 1.5 MMT soyabean.

Average Farm Gate Price



Sources : Turkstat, The summary of agricultural statistics publication
Note : * 2009 data is provisional

Live Stock Sector

In 2009 number of poultry decreased by 6% while number of layer chickens increased by 4.9% in 2009 when compared to the previous year.

Number of poultry decreased by 6.0% and became 234,082,206. Number of layer chickens increased by 4.9% and became 66,500,461. Production of eggs increased by 4.9% according to 2008 and became about 13.8 billion.

Poultry meat production became 1,323,624 tones increasing by 17.9% in 2009. 96.48% of this amount is chicken meat, 1.23% is layer chicken meats, 2.28% is turkey meat and 0.01% is goose meat.

Source: TUIK, TMO, CBRT, Food and Agriculture Organization of the United Nations (FAO) and Ministry of Agriculture and Rural Affairs.



India Economic Overview

India's general economic in 2010 was still expanding. Gross Domestic Product (GDP) may increase to 9% before slowing down to 8.2% next year and is expected to increase to 8.5% in 2012. Inflation remained quite high at approximately 9.9%, export during April-June 2010 (second quarter) amounted to USD 51 billion, an

increase of 32.7% compared to the same period of the previous year due to global economic recovery and increased in consumption. At the same time, the government also initiated several measures to stimulate the economy and foreign investors show genuine interest in investing, resulting in an expanding economy for India.

Growth of Gross Domestic Product (GDP) and Inflation Rate

Unit : percent

	2009	2010*
Gross Domestic Product (GDP)	7.4	8.5
Inflation Rate	9.9	10.0

Remark : * Estimates of annual GDP growth
Source : Export and Import Bank of India

Growth of Gross Domestic Product (GDP) in Various Sectors

Unit : percent

Sector	2009	2010
Agricultural Sector	0.2	4.5
Industrial Sector	8.5	9.7
Service Sector	9.3	8.9

Source : Export Import Bank of India

Farm Gate Price for Major Agricultural Products

Products	2009		2010 Jan - Sep	% Change
	Jan-Dec	Jan-Sep		
Corn : moisture < 14% (Rupee/kg.)	9.2	9.1	10.5	14.6
Mixed soybean (Rupee/kg.)	3.3	23.6	19.7	(16.0)
Broiler chicken (Rupee/kg.)	6.5	47.6	56.9	19.7
Broiler chicks (Rupee/chicks)	17.8	17.5	25.8	47.8
Black tiger shrimp : 30 pieces/kg. (Rupee/kg.)	298	295	350	18.6
White vannamei shrimp : 40 pieces/kg. (Rupee/kg.)	240	240	260	8.3

Source : Export Import Bank of India

India's Agriculture Sector Overview 2010

Agricultural economy in 2010 is expected to expand more than the previous year, as the price for the cereal food group such as rice, wheat, sugarcane and corn had increased proportionally. Adequate rainfall and absence of natural disaster resulted in increased crop yields. The government also initiated a price support program, driving the price even higher. Though the total volume of livestock is stable in 2010, higher demand is driving the price up compared to last year, possibly resulting in increased volume of production in 2012. The fisheries and aquatic animal sector is still expanding, especially cultured saltwater shrimps, specifically black tiger shrimp, of which the government had officially approved for farming. Vannamei shrimp farming is permitted only on a case-by-case basis. Freshwater fish farming is expanding as fish is consumed by Indians of all religions. Export is expected to increase in both volume and value for corn, cotton, soybean meal, sea fish and frozen shrimps.

Crops Sector

Throughout 2010, the weather in India remained normal though the rainy season arrived in June, 15-20 days later than usual, causing late crop planting. As a result, some farmers have switched to higher-income crops such as cotton that has seen a continual price increase.

Cultivated area for corn have decreased while rice paddy fields have increased by 10% compared to 2009 due to adequate rainfall for rice planting in all areas except for some areas in the north such as Bihar, where draught has destroyed young rice crops. The total outlook for cultivated area this year, however, is better than last year.

For cash crops such as corn and cotton, harvest may be slower than usual due to late rain, an after-effect of Typhoon Megi. However, there were no incidents of floods or high winds as found in Thailand.

Livestock Sector

Livestock production in 2010 was stable when compared to last year. Recession of the market in 2009 by 10% caused little increase in investment in livestock (broiler chicken and layer chicken). There was no growth in livestock sector in 2010 with the livestock volume equal to 2009. The livestock volume, however, was lower than in 2008. Consumer demand is higher only among the urban middle-class families.

Prices in 2010 are very good compared to last year due to inadequate production in the face of higher domestic demands. This has driven the price of both broiler chicks and broilers up to an unprecedented high. It is expected that in 2011, the volume of livestock production will increase to meet demand.

Fisheries Sector

Fisheries production during 2010 increased by 17.4%, well over last year's numbers. Saltwater shrimp are mostly farmed, while freshwater shrimp production has visibly decreased. The reason for the latter is that the government gave priority to permission for farm registration aiming to export to Europe.

During the year, shrimp production was achieved at 95,920 tons, from farming areas of around 102,260 hectares, an increase compared to 2009 in which production was 76,000 tons from 108,800 hectares. It should be noted that farming acreage has been reduced, but yield is higher by 26.2% because of better management and change initiated by farm owners.

In summary, shrimp production for export has increased due to better farming management. Total production from the farm is predicted at 104,200 tons with total value of Rupee 25,300 million. The price remained at Rupee 243 per kilogram of fresh shrimps. In total, the volume increased 15,400 tons and the value increased Rupee 6,150 million, or an increase of 17.3% in volume and 32.2% in value.

Malaysia Economic Overview

The economic overview for Malaysia in 2010 showed greater growth than expected from 2009. At the beginning of the year, economic growth was predicted at 2% or 3%, but the latest report of the National Statistics Bureau indicated a possible growth of more than 7%. Inflation in 2010 remained at 1.6%, but the problem is that the Malaysian government now faces with rising unemployment rate. This year unemployment rate has

risen to 3.4%, much higher than last year. Another problem is the low volume of foreign investment when compared to neighboring countries such as Thailand and Indonesia.

The government has attempted to boost the economy by increasing domestic investment, especially in the biodiesel industry. Malaysia has also announced a policy to become a world leader in Islamic finance and initiated a 25% reduction in tax for juristic persons.

Growth of Gross Domestic Product (GDP) and Inflation Rate

Unit : percent		
	2009	2010*
Gross Domestic Product (GDP)	(1.7)	7.0
Inflation Rate	0.6	1.6

Remark : * Data as of June 2010
Source : Department of Statistics Malaysia

Growth of Gross Domestic Product (GDP) in Various Sectors

Unit : percent		
Sectors	2009	2010
Agricultural Sector	(2.3)	2.5
Industrial Sector	(2.9)	1.1
Service Sector	(12.1)	1.7

Remark : Data as of June 2010
Source : Department of Statistics Malaysia

Farm Gate Price for Major Agricultural Products

Products	2009		2010	% Change
	Jan-Dec	Jan-Sep	Jan - Sep	
White vannamei shrimps : 70 pieces/kg. (Ringit/kg.)	10.0	9.5	11.0	12.2

Source : Department of Statistics Malaysia

Malaysia’s Agriculture Sector Overview 2010

In the agriculture sector, the government has announced the Third National Agriculture Policy (1998 – 2010), which directs the development trends of agriculture and forestry in 2010, supporting increased production and competition in the global market. The government is campaigning to reduce imports of foodstuff which has increased in value from Ringit 7.7 million in 1995 to Ringit 10.0 million in 1997 and still increasing. It is also looking ways to increase the ratio of the agriculture sector to GDP since the ratio has continually fallen from 113.5% in 1995 to 7.2% in 2010.

In the Third National Agriculture Policy, the government looks to increase production by encouraging investment in developing areas to be managed by advanced technology and machinery rather than investment in labor-intensive industries. The same policy also allows for investment in Sabah and Sarawak on Borneo Island. It is expected that at the end of the development plan, agricultural areas will increase from 5.8 million hectares to 6.2 million hectares, and the government will focus on amending regulations to promote more investments in eco-friendly agriculture.

Main policies for each sector are as follow:

Food Sector

Due to problems of inadequate supply to meet domestic demand, the government of Malaysia seeks to promote autonomy by reducing reliance on imports. This will be achieved according to plan by increasing income from food sector in GDP from 26.7% in 1995 to 32.5% in 2010 by promoting:

Livestock Sector

Increase production of broiler chicken and layer chicken to meet domestic demand, with leftover for export by supporting private investment in large modern farms

on government-owned land. Malaysia also announced a policy to make the country an international halal food hub.

Aquatic Animals and Fisheries Sector

As in the livestock sector, the government has provided general support and the opportunity for private investment to develop large farms on government-owned land as well as laying down the required infrastructure for aquatic animals farming. In addition, tax incentive extension for investors was also offered.

The Philippines Economic Overview

The Philippines has the 4th largest economy in Southeast Asia and the 36th in the world. Taking into consideration its buying power, the general economy of the Philippines expanded and contracted according to world and regional economic situations. The country’s GDP in 2006, 2007 and 2008 increased around 5.3%, 7.1% and 3.8%, respectively. Due to the global economic crisis in 2009, the Philippines’ economy expanded only 0.9%. In 2010, the Philippines’ economy expanded 7.3% in the first quarter, 7.9% in the second quarter while inflation rate in September 2010 was 3.5%.

The industrial sector comprises the food industry, clothing and textiles, electronics and automobile parts. Most industries are located within the city, especially Manila and the suburbs, and in Cebu in the Central District.

Growth of Gross Domestic Product (GDP) and Inflation Rate

	Unit : percent	
	2009	2010
Gross Domestic Product (GDP)	0.9	7.0
Inflation Rate	3.2	3.5

Sources : <http://www.census.gov.ph>
<http://www.nscb.gov.ph>

Growth of Gross Domestic Product (GDP) in Agriculture Sectors

	Unit : percent	
Sectors	2009	2010
Crops	(1.9)	(7.2)
Livestock	1.2	1.1
Fisheries	2.3	0.7

Sources : <http://www.census.gov.ph>
<http://www.nscb.gov.ph>

Farm Gate Price for Major Agricultural Products

Products	2009		2010	% Change
	Jan-Dec	Jan-Sep	Jan – Sep	
Corn : moisture < 14% (Peso/kg.)	10.95	10.90	10.93	0.28
Broiler (Peso/kg.)	78.73	72.54	55.52	(23.88)
Swine : weight > 100 kilos (Peso/kg.)	100.92	97.94	99.20	1.30
Black tiger shrimp : 30 pieces/kg. (Peso/kg.)	303	300	315	5.0
Vannamei shrimps : 61-70 pieces/kg. (Peso/kg)	207	205	220	7.3

Source : <http://www.bas.gov.ph>

The Philippines’ Agriculture Sector Overview 2010

The agricultural production of the Philippines was adversely affected by El Nino phenomenon. Drought caused damage to crop planting and inland fisheries. As a result, rice production fell by 1.5% compared to 2009, corn production fell 9.7%, and fish farm production such as tilapia fell 10% and milk fish production decreased 15%.

However, livestock production increased compared to 2009. Major livestock products such as broiler chicken, swine and eggs production rose by 3%, 1% and 6%, respectively, as a result of relatively high price.

Taiwan Economic Overview

The general economy of Taiwan in 2010 was still expanding following global economic recovery. In 2009, GDP fell by 1.9% and unemployment rate increased from 4.1% in 2008 to 5.9% in 2009. In 2010, even though the European economy was slowdown, the economy of various Asian countries was still expanding well. China, the second largest economy in the world and largest in Asia, helped stimulate peoples’ consumption, thereby maintaining economic

expansion. At the same time, China and Taiwan have signed the Economic Cooperation Framework Agreement (ECFA), resulting in stable tourism and investment environment. This has resulted in domestic demand in Taiwan and export expanding in 2010, unemployment rate decreased to 4.7%, with GDP growth at 10.0% and estimates for 2011 is predicted to be 4.5%.

Growth of Gross Domestic Product (GDP) and Inflation Rate

Unit : percent		
	2009	2010
Gross Domestic Product (GDP)	(1.9)	10.0
Inflation Rate	(0.9)	1.0

Source : Directorate-General of Budget, Accounting, and Statistics; Executive Yuan, Republic of China (Taiwan)

Growth of Gross Domestic Product (GDP) in Agriculture and Industrial Sectors

Unit : percent		
Sector	2009	2010
Agricultural Sector	(3.0)	(0.2)*
Industrial Sector	(4.4)	31.0*

Remark : * 2010 the first three quarters and the same period of 2009

Source : Directorate-General of Budget, Accounting, and Statistics; Executive Yuan, Taiwan

Farm Gate Price for Major Agricultural Products

Products	2009	2010	% Change
Live Broiler : weight 1.75-1.95 kg. (new Taiwan dollar/kg.)*	43.3	45.5	2.2
Swine : weigh > 100 kg. (new Taiwan dollar/kg)**	63.4	69.0	5.6

Sources : * Poultry Association of the Republic of China

** National Animal Industry Foundation

Taiwan’s Agriculture Sector Overview 2010

As Taiwan moved from being an agrarian to an industrialized country, it is required to import all raw materials for animal feed such as corn and soybean. Since 2005, when producers were allowed to freely import chicken meat and pork, Taiwan’s husbandry industry has gradually declined. Due to the global climate change in 2010, agricultural prices have greatly fluctuated. For example, an average lowest price and highest price for corn was 7.5 new Taiwan dollars/kg. and 9.65 new Taiwan dollar/kg. respectively, or a change of 28%. The government has revoked the 5% tax reduction for the import of corn and soybean, which was applied during the US financial crisis. At present, the agricultural sector economy has not improved; as a result the increased cost of raw materials cannot be efficiently reflected in the price.

As a result of meat import liberalization, Taiwan imported the largest amount of chicken meat – 115,000 tons (approximately 25% of the white-meat market), an increase of 49% in 2010. Imported pork accounted for 75,000 tons, less than last year. The price of chicken meat also rose at an average of 5% from last year due to higher price of animal feed. Since the chicken meat import volume was extremely high while domestic demand remained the same, the cost of fresh meat cannot be completely reflected in the price and resulted in inferior performance of the slaughterhouse.

In terms of processed food, Taiwan has become a more suburban society with consumers changing their behavior and accepting the microwave as part of their daily life. Convenience stores can be found everywhere and ready-to-eat products and processed food has become popular, resulted in increased sales. As meat can now be freely imported, its production cost can be controlled, making for a bright future in processed food. 2010 has seen good growth of 2.1% in this area.

Total Confidence to Handle any Situation

The production processes for our foods are able to handle any complications that might arise. Our comprehensive risk management strategies provide the utmost confidence for our customers.

Kitchen
of the World

www.cpfworldwide.com



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. Strategic Risks

1.1 Economic 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 40% of total sales revenue in 2010.

Current global economic recession does bear adverse impact on the purchasing power of consumers and thus bear adverse impact on the Company’s overseas operations.

Risk Management

To cope with economic 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. Closely and timely monitoring on financial planning 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.

1.2 Overseas Investment

As of December 31, 2010, the Company has overseas operations in 9 countries namely, Turkey, Malaysia, India, China, England, Russia, Laos, Taiwan and the Philippines. (Details of overseas investment are shown under No. 9. Investments in Subsidiaries of Notes to Financial Statements for the year ended December 31, 2010). In 2010, revenues from overseas operations accounted to 26% of total sales revenue.

Performance of overseas operation 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 overseas operation. In addition, the value of overseas subsidiaries’ net assets may change in accordance with the fluctuation of currency translation into THB. This difference will be recognized in the Company’s consolidated financial statements as a separate account in Shareholders’ Equity. As of December 31, 2010, the Company recognized a loss on currency translation in the amount of THB 2,642 million.

Risk Management

The Company has an investment policy which clearly stipulates control and follow-up of system including the appointment of representative of Managing Director and finance executive to monitor operations in various countries. The Company also set up the meeting in Thailand to review performance and updating plan and objectives at least every 6 months.

1.3 Consumer 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 consumer confidence was lower due to food contamination, spoilage from raw materials used in processing, distribution system or poor stock keeping by distributor and retailers.

Risk Management

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

1.4 Corporate Reputation

The Company’s reputation is crucial for stakeholders’ confidence as such contribute to the Company’s short-term and long-term success – the Company’s stakeholders include shareholders, investors, suppliers and customers. Damage to the Company’s reputation may diminish the stakeholders’ confidence and trust in the Company.

Risk Management

The Company values corporate governance, internal control, and risk management, all of which are crucial for maintaining its reputational image. In fulfilling stakeholders’ expectations, the Company’s management gives high priority to the institution of necessary structures and resources for the effective and efficient implementation of its strategies. In addition, the Company’s financial and other information are sufficiently and transparently disclosed.

2. Financial / Financial Reporting Risk

2.1 Fluctuation in Foreign Exchange

The Company has foreign currency trading transactions that mostly occurred from Thailand operations resulting from the export and import of goods. Therefore, the Company’s financial performance may be adversely impacted by the fluctuation in foreign exchange.

In 2010, export value of CPF and subsidiaries in Thailand was THB 26,385 million or 14% of total sales revenue and imported raw material cost total THB 17,533 million or 11% of total cost of sale of goods. Strong baht will lower the revenue of products exported and weaken baht will make cost of imported raw materials 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

CPF and its subsidiaries in Thailand fully hedge their foreign currency exposure to mitigate the fluctuating exchange rate while also enabling the Company to ensure its effective cost and revenue. Pricing flexibility

is used to maximize the Company’s benefit for products for which the Company has pricing power. Managing foreign exchange also enables the Company to guarantee its profitability but nonetheless these forward contracts do not guarantee that the locked in rates are the most competitive since exchange rates constantly fluctuate.

The Company also has policies to buy raw materials and trade in other currencies other than US dollar to minimize the risk but is dependent upon the prevailing currency outlook at any particular time.

2.2 Interest Rate Volatility

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company’s operations and cashflows. At the end of 2010, the Company’s floating-interest loans accounted for 37.6% of its total borrowings.

Risk Management

The Company set up a department to closely monitor the interest rate movements. Moreover, the Company has a policy to minimize the risk of interest rate fluctuation such as using the fixed interest rate in order to allow the Company to accurately predict its future payment and using the financial derivatives e.g. Interest Rate Swap in order to optimize the Company’s finance cost.

3. Operational Risk

3.1 Volatility of Commodity Prices

• 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 which are commodity products are affected by global as well as demand and supply in Thailand. Demand

and prices of these ingredients are not only affected by the demand for animal feed production, but also by the demand for energy substitute 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 of the Company. In 2010, the cost of raw material purchased for the production of animal feed of CPF and subsidiaries in Thailand constituted 33% of the Company’s total cost of sale of goods.

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 the large warehouse to store sufficient quantity of raw materials in anticipation of future price increase. The Company may also consider to use financial derivatives to manage the risk of raw material price volatility.

• Volatility of Price on Live Animals and Processed Meat

The Company’s business on live animals and processed meat accounted to 43% of 2010 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. Moreover, the Company aims to sell more value added products and food products such as ready-to-eat products and cooked meat which prices of such products are benchmarked against its cost of production.

3.2 Disease Outbreak

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

The Company commits to ongoing investment in research and the upgrading of farm 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. Furthering the quality chain, the Company requires that its contract farmers strictly adhere to the Company’s farm management standards and stipulated by the Department of Livestock Development, Ministry of Agriculture and Cooperatives.

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 to some countries such as the European Union and Japan which is still restricted as Thailand has not yet been classified as a country free from bird flu.

3.3 Global Climate change

Increasing temperatures all over the world is causing climate change and altered weather patterns, which may irreversibly alter the eco-system in some areas, including increasing rainfall, drought, and more frequent as well as more severe natural disasters. The resulting loss of agricultural and animal husbandry areas, as well as uncertainties about planting periods could reduce or delay global agricultural outputs. All these may affect the entire industry’s production of livestock and processed meat.

Risk Management

In avoiding damage caused by sudden occurrences of natural disasters, the Company has taken the following risk reduction measures: conducting area surveys to ensure safe locations for factories, hatcheries, and farms; equipping each farm with a water reserve system; and diversifying farming grounds in different locations all over Thailand. In addition, all of the Company’s poultry and swine farms are managed with evaporative

cooling systems. So, the farms are isolated from the surrounding environment and are fully equipped with automatic feeding and ventilation systems. Weather risks are reduced because the optimum temperature is always maintained inside these farms.

4. Compliance Risk

4.1 Trade Barriers

The Company exports to many countries around the world. In 2010 export value of CPF and subsidiaries in Thailand was to THB 26,385 million or accounted to 14% 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 the Company's 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 Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions and including generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, estimates and underlying assumptions are prudently made, and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and benefit to shareholders and investors.

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

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

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2010.



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 Ratios

Consolidated balance sheet of CPF and its subsidiaries as of December 31, 2008, 2009 and 2010

	As of December 31,					
	2008		2009		2010	
	THB, million	%	THB, million	%	THB, million	%
Cash and cash equivalents	3,453	3	10,522	9	7,761	6
Accounts receivable – trade and others	14,115	13	14,361	12	15,385	12
Inventories	27,888	26	26,284	23	33,863	27
Other current assets	1,804	2	2,267	2	1,962	2
Total current assets	47,260	44	53,434	46	58,971	47
Long term investments	10,268	9	11,946	11	16,820	13
Property, plant and equipment	44,706	42	46,422	40	47,142	37
Other non-current assets	5,276	5	3,896	3	3,387	3
Total non-current assets	60,250	56	62,264	54	67,349	53
TOTAL ASSETS	107,510	100	115,698	100	126,320	100
Overdrafts and short-term borrowings from financial institutions	20,962	20	9,745	8	10,051	8
Notes payable	2,673	2	-	-	-	-
Accounts payable – trade and others	7,607	7	9,106	8	9,707	8
Current portion of long-term debts	5,483	5	6,294	5	8,088	6
Other current liabilities	3,184	3	4,891	4	4,981	4
Total current liabilities	39,909	37	30,036	25	32,827	26
Long-term debts	18,365	17	26,758	23	28,510	23
Other non-current liabilities	3,685	4	3,925	4	3,880	3
Total non-current liabilities	22,050	21	30,683	27	32,390	26
TOTAL LIABILITIES	61,959	58	60,719	52	65,217	52
SHAREHOLDERS' EQUITY	45,551	42	54,979	48	61,103	48

Consolidated income statement of CPF and its subsidiaries for the years ended December 31, 2008, 2009 and 2010

	2008		2009		2010	
	THB, million	%	THB, million	%	THB, million	%
Revenue from sale of goods	156,238	99	165,063	99	189,049	98
Other income	1,547	1	2,237	1	3,493	2
TOTAL REVENUES	157,785	100	167,300	100	192,542	100
Cost of sale of goods	135,738	86	135,871	81	156,351	81
Selling and administrative expenses	16,489	11	17,558	11	19,923	11
Others	509	-	584	-	709	-
TOTAL EXPENSES	152,736	97	154,013	92	176,983	92
Share of profit of associates	1,162	1	1,591	1	2,511	1
Profit before finance costs and income tax expense	6,211	4	14,878	9	18,070	9
Finance costs	2,769	2	1,949	1	1,823	1
Income tax expense	218	-	2,539	2	2,388	1
Profit after income tax expense	3,224	2	10,390	6	13,859	7
Net attributable to minority interests	(96)	-	(200)	-	(296)	-
NET PROFIT	3,128	2	10,190	6	13,563	7

Consolidated statements of cash flows for the years ended December 31, 2008, 2009 and 2010

Unit: THB, million

	2008	2009	2010
Net cash provided by operating activities	6,449	22,340	9,581
Net cash used in investing activities	(4,816)	(4,917)	(7,995)
Net cash used in financing activities	(1,277)	(10,143)	(4,398)
Net increase (decrease) in cash and cash equivalents	356	7,280	(2,812)
Cash and cash equivalents at the beginning of the year	2,906	3,390	10,516
Effect of exchange rate changes on the balances held in foreign currencies	128	(154)	51
Cash and cash equivalents at end of year	3,390	10,516	7,755

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

	2008	2009	2010
Liquidity ratios			
Current ratio ^{1/} (times)	1.18	1.78	1.80
Quick ratio ^{2/} (times)	0.44	0.83	0.71
Cash flow liquidity ratio ^{3/} (times)	0.17	0.64	0.30
Accounts receivable turnover ^{4/} (times)	11.01	11.30	12.36
Collection period ^{5/} (Days)	33	32	29
Inventory turnover ratio ^{6/} (times)	24.42	24.85	28.83
Inventory turnover ^{7/} (Days)	15	14	12
Accounts payable turnover ^{8/} (times)	17.43	16.26	16.62
Payable period ^{9/} (Days)	21	22	22
Cash Cycle ^{10/} (Days)	27	24	19
Profitability ratios			
Gross profit margin ^{11/} (%)	13.12	17.69	17.30
Operating profit margin ^{12/} (%)	3.98	9.01	9.56
Net profit margin ^{13/} (%)	1.97	6.03	6.95
Return on Equity ^{14/} (%)	6.97	20.27	23.37
Operating efficiency ratios			
Return on fixed assets ^{15/} (%)	17.16	32.40	39.09
Asset turnover ^{16/} (times)	1.51	1.51	1.61
Leverage ratios			
Debt to equity ^{17/} (times)	1.36	1.10	1.07
Interest coverage ^{18/} (times)	2.66	12.02	5.41
Debt service coverage ^{19/} (times)	0.50	0.80	0.40
Dividend payout ^{20/} (%)	58.07	59.92	70.32 ^{21/}

This management’s discussions and analysis is based on the consolidated financial statements of CPF and its subsidiaries for the year ended December 31, 2010. It includes financial statements of CPF and subsidiaries as stated in No.1 General Information of notes to financial statements.

1. 2010 Operating Results

1.1 The overview of the operating results

The Company’s total sales in 2010 of THB 189,049 million increased 15% from THB 165,063 million in 2009. The increase of sales was from Thailand operations’ sales growth of 5% and overseas operations’ sales growth of 55%.

The increase of Thailand operations’ sales was from livestock business and aquatic business of 5% and 3%, respectively while the increase of the overseas operations’ sales was from livestock business and aquatic business of 72% and 20%, respectively. The Company’s net profit in 2010 reached a record level of THB 13,563 million, up 33% from THB 10,190 million in 2009, primarily reflecting the favorable operating performance of overseas operations, especially in India and Malaysia as well as the 58% increase of share in profit from associated companies from THB 1,591 million in 2009 to THB 2,511 million in 2010 and some gain on sales of investment. As a result, the net profit margin increased from 6% in 2009 to 7% in 2010.

1/ Current ratio = Total current assets / Total current liabilities
2/ Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities
3/ Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities
4/ Accounts receivable turnover = Net sales / Average accounts receivable - trade and others
5/ Collection period = Average accounts receivable / Total revenues*360
6/ Inventory turnover ratio = Cost of sale of goods / Average finished goods
7/ Inventory turnover = 360 / Inventory turnover ratio
8/ Accounts payable turnover = Cost of sale of goods / Average accounts payable
9/ Payable period = 360 / Accounts payable turnover
10/ Cash Cycle = Average collection period + Inventory turnover – Payable period
11/ Gross profit margin = Gross profit / Net sales
12/ Operating profit margin = Profit before finance costs and income tax expense / Net sales
13/ Net profit margin = Net profit / Total revenues
14/ Return on Equity = Net profit / Average shareholders’ equity
15/ Return on fixed assets = (Net profit + Depreciation) / Average fixed assets
16/ Asset turnover = Total revenues / Average total assets
17/ Debt to equity = Total liabilities / Total shareholders’ equity
18/ Interest coverage = Net cash provided by operating activities / Interest expenses
19/ Debt service coverage = Net cash provided by operating activities / (Debt payment + Investment expenses + Purchase of assets + Dividend paid)
20/ Dividend payout = Dividend paid / Net profit of the Company’s separate financial statements
21/ The Board of Directors shall propose the annual dividend payment to the Annual General Shareholders’ Meeting No. 1/2011 for further approval.

1.2 Operating results of each business line

CPF and its subsidiaries	2008		2009		2010		% Change from previous year
	THB, million	%	THB, million	%	THB, million	%	
1. Thailand Operations	131,980	85	133,000	81	139,392	74	5
1.1 Livestock business	98,012	63	95,503	58	100,652	53	5
Feed	30,559	20	26,987	16	28,406	15	5
Farm	41,771	27	43,712	27	46,618	24	7
- Domestic	41,608	27	43,396	27	46,230	24	7
- Export	163	-	316	-	388	-	23
Food	25,682	16	24,804	15	25,628	14	3
- Domestic	9,198	6	9,539	6	11,272	6	18
- Export	16,484	10	15,265	9	14,356	8	(6)
1.2 Aquatic business	33,968	22	37,497	23	38,740	21	3
Feed	16,920	11	19,001	12	19,541	10	3
Farm	11,173	7	11,853	7	12,476	7	5
- Domestic	7,853	5	8,532	5	7,399	4	(13)
- Export	3,320	2	3,321	2	5,077	3	53
Food	5,875	4	6,643	4	6,723	4	1
- Domestic	360	-	415	-	475	-	14
- Export	5,515	4	6,228	4	6,248	4	-
2. Overseas Operations	24,258	15	32,063	19	49,657	26	55
2.1 Livestock business	16,045	10	21,508	13	36,944	19	72
2.2 Aquatic business	8,213	5	10,555	6	12,713	7	20
TOTAL SALES	156,238	100	165,063	100	189,049	100	15

Operating results of each business operation and business line

Thailand operations

Sales from Thailand operations totaled THB 139,392 million in 2010, increased 5% from THB 133,000 million in 2009. Details of operating results of each business line are as follows:

• Livestock business in Thailand

Sales from the livestock business in Thailand increased 5% to THB 100,652 million in 2010 from THB 95,503 million in 2009. This was mainly due to the increase of sales

from livestock feed and farm products. Sales from livestock business accounted for 53% of the Company’s total sales with the proportion of domestic sales to export sales of 85% and 15%, respectively.

In 2010, the gross profit margin of the livestock business in Thailand was 18% equivalent to last year.

• Aquatic business in Thailand

Sales from the aquatic business in Thailand increased 3% to THB 38,740 million in 2010 from THB 37,497 million in 2009. This was mainly due to an increase of export sales. The proportion of domestic sales to export sales was 71% and 29%, respectively.

In 2010, the gross profit margin of the aquatic business in Thailand was 21% compared to 2009 gross profit margin of 20%.

Overseas operations

Sales from overseas operations totaled THB 49,657 million in 2010, increased 55% from THB 32,063 million in 2009. This was primarily due to the sales contributed from a subsidiary in Taiwan which was acquired in the third quarter of 2009 and an increase in sales of subsidiaries in India, Turkey and Malaysia.

In 2010, the gross profit margin of overseas livestock business declined to 12% from 15% in 2009 whereas the gross profit margin of overseas aquatic business increased to 18% from 14% in 2009.

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 legal reserve requirements (based on the separate financial statements of the Company). The Company paid the first dividend payment as an interim dividend of THB 0.5 per share or a total of THB 3,524 million on September 10, 2010. In addition, on February 25, 2011,

the Company’s Board of Directors had a resolution to pay the second dividend payment as an annual dividend of THB 0.55 per share or THB 3,877 million. The annual dividend when combined with the interim dividend paid during the year 2010 will totally be THB 7,401 million or THB 1.05 per share, which equivalent to 70% of net profit of the year 2010 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. 1/2011 which will be held on April 20, 2011 for further approval.

2. Financial position

2.1 Assets

As of December 31, 2010, the Company’s total assets were THB 126,320 million, comprising of THB 58,971 million in current assets, THB 47,142 million in property, plant and equipment, and THB 20,207 million in long-term investments and others.

Total assets as of December 31, 2010 increased 9% from the previous year mainly due to the increase in raw materials inventory and investments in associates.

2.2 Liquidity

In 2010, the Company had net cash provided by operating activities of THB 9,581 million whereas net cash used in investment activities was THB 7,995 million. Net cash used in financing was THB 4,398 million as a result of cash receipt from debentures issuance and loans from financial institutions of THB 10,583 million and cash payments made on long term loans, debentures, interest expenses, dividend and others of THB 14,982 million. The Company’s cash and cash equivalents (net of bank overdrafts) as of December 31, 2010 was THB 7,755 million.

As of December 31, 2010, the Company’s current ratio was 1.80 times, increased from 1.78 times at the end of previous year. Cash cycle was 19 days, decreased from 24 days at the end of the previous year due to the

reduction in collection period from 32 days in 2009 to 29 days in 2010.

As of December 31, 2010, The Company is obliged to make payments on long term loans and debentures in the

amounts of THB 8,086 million in 2011, THB 4,946 million in 2012, and THB 23,562 million from 2013 to 2017. The Company’s outstanding debentures totaled THB 30,700 million. Details are as follows:

	Amount (THB, million)	Issued Date	Maturity Date	Maturity Term (Years)	Coupon Rate per Annum (%)
1. Debenture of CPF # 1/2006 Series 2	3,800	Jul 5, 2006	Jul 5, 2011	5	6.90*
2. Debenture of CPF #1/2007 Series 2	2,500	Oct 19, 2007	Oct 19, 2012	5	4.90*
3. Debenture of CPF #1/2008 Series 1	3,000	Aug 15, 2008	Aug 15, 2011	3	5.15*
4. Debenture of CPF #1/2008 Series 2	3,000	Aug 15, 2008	Aug 15, 2013	5	5.70*
5. Debenture of CPF #1/2009 Series 1	2,200	Nov 25, 2009	Nov 25, 2013	4	3.90
6. Debenture of CPF #1/2009 Series 2	3,200	Nov 25, 2009	Nov 25, 2014	5	4.30*
7. Debenture of CPF #1/2009 Series 3	3,000	Nov 25, 2009	Nov 25, 2015	6	4.80*
8. Debenture of CPF #2/2009	1,000	Dec 22, 2009	May 30, 2015	5 years 5 months 8 days	4.40*
9. Debenture of CPF #1/2010	1,000	Feb 11, 2010	May 30, 2015	5 years 3 months 19 days	4.20
10. Debenture of CPF #2/2010 Series 1	3,000	Nov 3, 2010	Nov 3, 2014	4	Year 1-3 = 3.0% Year 4 = 4.0%
11. Debenture of CPF #2/010 Series 2	5,000	Nov 3, 2010	Nov 3, 2017	7	Year 1-3 = 3.0% Year 4-5 = 4.0% Year 6-7 = 5.0%

Remark: * Debentures under interest rate swap agreements

2.3 Source of funds

The Debt to Equity ratio as of December 31, 2010 was 1.07 times and the Net Debt^{22/} to Equity ratio was 0.92 times (lower than the indicated 2.00 times Net Debt to Equity ratio which the Company has to remain under the specified terms in the Term and Condition of debt issuers and representatives for all outstanding debentures). Total liabilities was THB 65,217 million, increasing 7% from December 31, 2009 due to the increase of interest bearing debt of THB 3,852 million and non-interest bearing debt of THB 646 million. The Company’s total liabilities comprised of non-interest bearing debt and interest bearing debt totaling THB 18,568 million and THB 46,649 million, respectively. Interest bearing debt comprised of short term debt and long term debt amounting to THB 18,139 million and THB 28,510 million, respectively.

As of December 31, 2010, shareholders’ equity was THB 61,103 million, increasing 11% year-on-year.

The Auditors’ Remunerations

CPF’s auditors in the year 2010 were Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No.4068, Mr. Vairoj Jindamaneepitak C.P.A. (Thailand) Registration No. 3565 and Ms. Bongkot Amsageam C.P.A. (Thailand) Registration No. 3684 of KPMG Phoomchai Audit Limited.

In 2010, the remunerations^{23/} that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited were as follows:

Unit: THB

	CPF	Subsidiaries
1. The audit fees on company’s accounts	3,490,000	11,109,000
2. Other audit fees on special projects	1,030,000	1,580,000

Remark : ^{23/} The above fee excluded out-of-pocket expenses to be reimbursed by the Company.

Increase in shareholders’ equity mostly was from the increase in operating profits after dividend payment.

2.4 Investment in 2011

The Board of Directors approved the Company’s 2011 capital expenditure of THB 10,038 million. The Company plans to invest THB 6,542 million in Thailand while the rest or THB 3,496 million will be used for overseas expansion. Investment plans may change according to changes in the business environment.

Remark: ^{22/} Net Debt = Total liabilities - Cash and cash equivalents + Guarantee to any persons or juristic persons but excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF’s subsidiaries to CPF and (2) deferred tax liabilities

Professional Management

Working side by side, each department pools their ideas, energy and expertise into achieving a single goal: the success of the organization as a whole.

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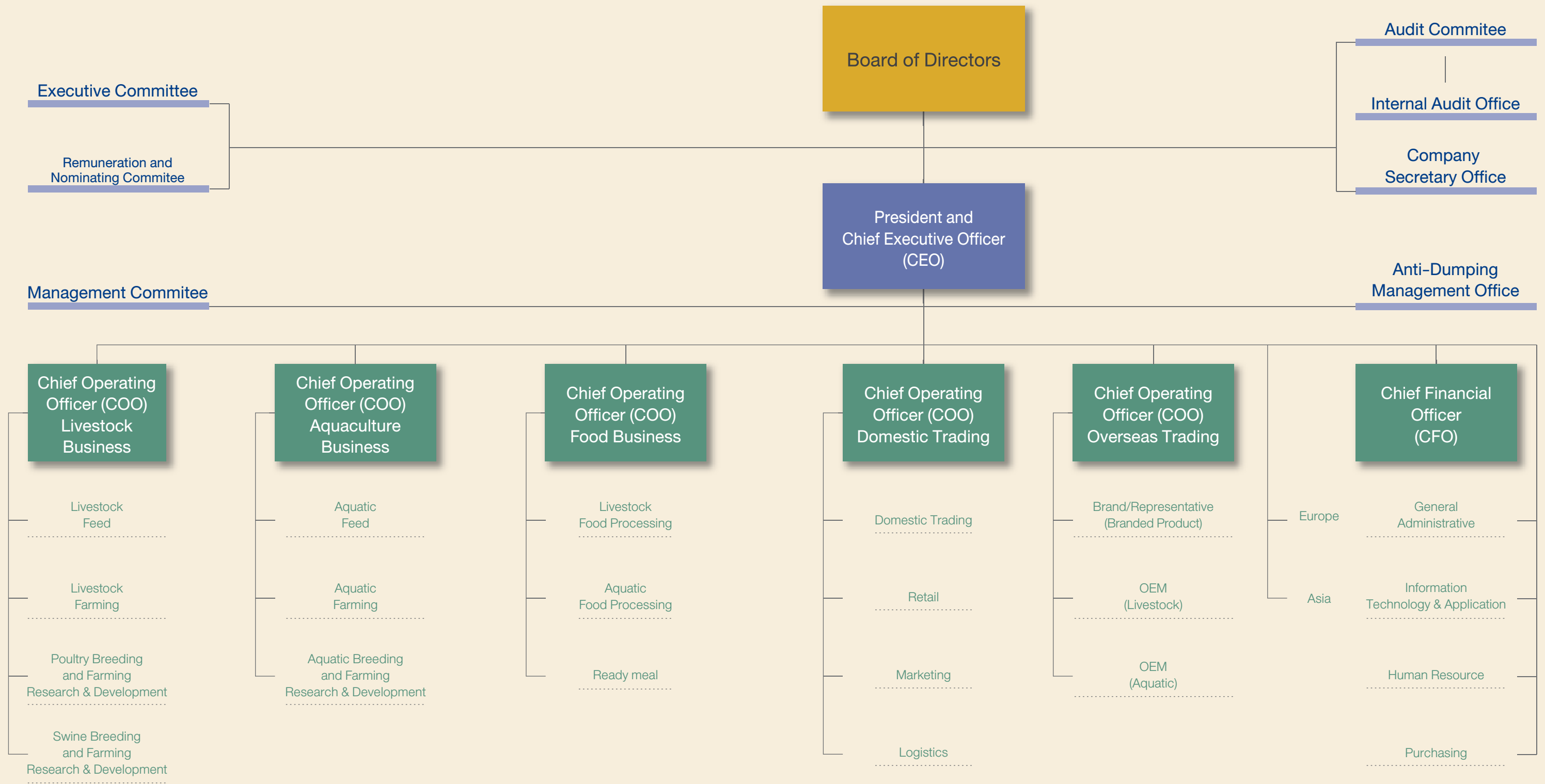
www.cpfworldwide.com





Management Structure

As of March 16, 2011



Management

Investment and Management Policy

CPF has distinct investment policy of investing only in core-business and/or businesses relating to core-business only. As of December 31, 2010, CPF has investments in subsidiaries, associated companies, and related companies of THB 21,514 million, equivalent to 24% 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. Subsidiaries will regularly report their operating results to CPF every month while the meeting will be conducted at least every 6 months to review performance and to set and guide in business planning.

For each investment consideration, CPF may invest 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.

Board of Directors

As of March 16, 2011, CPF Board of Directors consisted of 15 directors as follows:

Name		Position
1. Mr. Dhanin	Chearavanont	Chairman ^{1/}
2. Pol. Gen. Pow	Sarasin	Vice Chairman ^{2/}
3. Mr. Prasert	Poongkumarn	Vice Chairman
4. Mr. Min	Tieanworn	Vice Chairman
5. Mr. Chingchai	Lohawatanakul	Vice Chairman ^{1/}
6. Mr. Arsa	Sarasin	Director ^{2/}
7. Professor Dr. Athasit	Vejjajiva	Director ^{2/}
8. Emeritus Professor Supapun	Ruttanaporn	Director ^{2/}
9. Dr. Chaiyawat	Wibulswasdi	Director ^{2/}
10. Mr. Phongthep	Chiaravanont	Director ^{1/}
11. Dr. Veeravat	Kanchanadul	Director ^{1/}
12. Mr. Adirek	Sripratak	Director ^{1/}
13. Mr. Pong	Visedpaitoon	Director ^{1/}
14. Mr. Sunthorn	Arunanondchai	Director ^{1/}
15. Mrs. Arunee	Watcharananan	Director ^{1/}

Remarks : ^{1/} Directors No.1,5 and 10-15 are authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company’s seal affixed.
^{2/} Independent Director

Ms. Patchara Chartbunchachai is the Company Secretary.

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 16, 2011, the Company’s Board of Directors comprised 5 independent directors (equal to one-thrid of all members of the Board of Directors), 5 executive directors and 5 non-executive directors. The Board of Directors appoints the Chairman and the Vice Chairman. The 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.

Every Independent Director has qualifications in accordance with the Notification of the Office of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (No. 2), 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.

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 expiration of the term of office every annual general shareholder’s meeting, one-third of the directors shall retire from office. If the number of directors cannot be devided exacting into three parts, then the number of directors nearest to one-third shall retire from office. The directors serving the longest shall retire. The directors who retire by rotation may be re-appointed if approved by the shareholders. In appointing a new director, the Board shall nominate 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 retire by rotation and the remaining term left more than two months, Board of Directors shall elect persons who possess the required qualifications and do not possess prohibited qualification by law as the replacement 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 receive an important information of the Company, Articles of Association of the Company related to the roles and responsibilities of the Board of Directors, advice concerning laws, rules, regulations and conditions on being a Director of a listed company in the Stock Exchange as well as an orientation of the Company’s businesses.

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 per one vote.
2. Each shareholder must exercise all the votes he/she has to appoint an individual or several persons to be director(s) but shall not split his/her votes among any person 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 a number of persons receive an equal number of votes for the last directorship rendering the number of director more than which is required, 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 expiration of the term of office, by the resolution of not less than three-fourths of the number of shareholders 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. The President is responsible for delegating duties and responsibilities to the Executives manage the Company’s operation.

In addition, the Board of Directors appoints the Company Secretary to counsel and assist the Board of Directors in areas of corporate governance and 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 summarized as follows:

1. Perform duties in compliance with the law, the Company’s objectives and Articles of Association and the resolutions of Shareholders’ Meeting with accountability, care and integrity.
2. Determine 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 goals, 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 procedures to be approved 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 procedures. 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.

Audit Committee

As of March 16, 2011, the members of the Audit Committee comprised 5 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	Vejjajiva	Member
4. Emeritus Professor Supapun	Ruttanaporn	Member
5. Dr. Chaiyawat	Wibulswasdi	Member

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

CPF’s Audit Committee has been appointed by the Board of Directors. The current Audit Committee has 3-year term and will retire from office on December 23, 2011.

9. Appoint the Audit Committee, the Executive Committee and other sub-committees, such as the Remuneration and Nominating Committee, 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 Directors Meeting convened on August 27, 2008 pass the resolution to appoint Ms. 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.

Emeritus Professor Supapun Ruttanaporn and Dr. Chaiyawat Wibulswasdi, 2 members of the Audit Committee, have 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 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: Qualifications and Scope of work 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’s chief;
5. To consider, select, nominate an 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

As of March 16, 2011, the Remuneration and Nominating Committee comprised 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

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.

The Board of Directors appoints the Chairman 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 Directors 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 and to the shareholders for consideration.
5. Others matters related to its duties that required by the Board of Directors.

Orientation of a New Director

To assume the directorship position, each director will receive the Company’s information, Articles of Association of the Company related to roles and responsibilities of the Board. Furthermore, the new director will be provided the counseling in an areas of legal and regulations regarding being the director of the listed company in the Stock Exchange as well as the information about Company’s businesses.

For the director who has not attended any director training program, 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.

Meeting Attendance of Each Director During the Year 2010

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

Remark : ^{1/} Appointed as the director at the Annual General Shareholders’ Meeting No. 1/ 2010 held on April 21, 2010 and appointed by the Board of Directors as a member of Audit Committee from May 1, 2010 onwards.

Executive Committee

As of March 16, 2011, CPF’s Executive Committee comprised the following members:

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

The Board of Directors appoints the 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.

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 man power 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 16, 2011, CPF management comprised the following:

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

Remark : ^{1/} Management in accordance to the Notification of the Securities and Exchange Commission No. Korchor. 17/2551
Re: Definition under Notifications relating to Issuance and offering of Securities.

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 any 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 investment budget 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 any regulation must be approved by the Board of Directors or the shareholders’ meeting.

Selection of the Executives

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 Directors and Executives

The Board of Directors assigns the Remuneration and Nominating Committee to yearly determine the directors’ remuneration, and to propose to the Board of Directors to request for the shareholders’ approval. In addition, the Board of Directors assigns the Executive Committee to determine the remuneration of the Company’s Executives 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 2010 of the Board of Directors was totally THB 69.98 million which included (1) monthly remuneration (2) special remuneration in accordance with the resolution of Annual General of Shareholders’ Meeting No. 1/2010 held on April 21, 2010, only the amount paid in the year 2010 and (3) estimated special remuneration by reference on CPF’s dividend

payment policy and using the same rate as special remuneration as approved by the Annual General shareholders’ Meeting No. 1/2010 in which such estimation is still uncertain depending on the approval of the Annual General Shareholders’ Meeting No. 1/2011 on the annual dividend payment.

In addition, some directors also received the remuneration being as the director of subsidiaries which was totally THB 0.42 million. For the remuneration of the Audit Committee of the year 2010 was totally THB 13.20 million. The details can be illustrated as follows:

Unit : THB

Name		CPF		Directors of Subsidiaries
		Directors	Audit Committee	
1.	Mr. Dhanin Chearavanont	7,824,692	-	-
2.	Pol. Gen. Pow Sarasin	7,548,107	5,000,000	-
3.	Mr. Prasert Poongkumarn	5,868,519	-	60,902
4.	Mr. Min Tieanworn	5,868,519	-	-
5.	Mr. Chingchai Lohawatanakul	5,868,519	-	-
6.	Mr. Arsa Sarasin	3,912,345	2,200,000	-
7.	Professor Dr. Athasit Vejajiva	3,912,345	2,200,000	-
8.	Emeritus Professor Supapun Ruttanaporn	3,912,345	2,200,000	-
9.	Dr. Chaiyawat Wibulswasdi ^{1/}	1,786,206	1,600,000	-
10.	Mr. Phongthep Chiaravanont	3,912,345	-	-
11.	Dr. Veeravat Kanchanadul	3,912,345	-	-
12.	Mr. Adirek Sripatak	3,912,345	-	270,000
13.	Mr. Pong Visedpaitoon	3,912,345	-	-
14.	Mr. Sunthorn Arunanondchai	3,912,345	-	-
15.	Mrs. Arunee Watcharananan	3,912,345	-	90,000

Remark : ^{1/} Appointed as the director at the Annual General Shareholders’ Meeting No. 1/2010 on April 21, 2010 and appointed by the Board of Directors as a member of Audit Committee from May 1, 2010 onwards.

Other Remuneration: -None-

Remuneration for the Executives

Monetary Remuneration in 2010, including monthly salary, the Company’s contribution in accordance with the Employee Joint Investment Program (“EJIP”)^{2/} and other benefits for 17 Executives of CPF totally amounted to THB 223.21 million.

Other Remuneration: -None-

Remark : ^{2/} Summary of EJIP is shown on page 122

Brief Profile of Directors and Management



Mr. Dhanin Chearavanont
71 years of age
Chairman of the Board of Directors

Education

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

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.
- Director, Bangkok Inter Teletech Plc.

Family relations with other executives

- Cousin of Mr. Phongthep Chiaravanont



Pol.Gen. Pow Sarasin
81 years of age
Vice Chairman, Chairman of the Audit Committee and Chairman of the Remuneration and Nominating Committee

Education

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

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.

% shareholding in the Company as of December 31, 2010

- 1,340,000 shares, equivalent to 0.0178% (increased by 260,000 shares since December 31, 2009)



Mr. Prasert Poongkumarn
74 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, China
- Honorary Professor in Agriculture, Jejiang University, Chengchou province, China
- Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association

% shareholding in the Company
as of December 31, 2010

- 1,335,983 shares, equivalent to 0.0178%

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) Pte Ltd.
- Director, CPF 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. Chingchai Lohawatanakul
71 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, 2010

- 4,039,140 shares, equivalent to 0.0537% (increased by 900,000 shares since December 31, 2009)

Positions in the Company's
subsidiaries

- Director, CPF Investment Limited
- 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. Min Tieworn
74 years of age
Vice Chairman

Education

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

Positions in the Company's
subsidiaries

- Director, CPF Investment Limited

Work Experience for the past
5 years

- Director, Charoen Pokphand Group Co., Ltd.



Mr. Arsa Sarasin
74 years of age
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. 5/2003, 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

- His Majesty's Principal Private Secretary
- Chairman, Padaeng Industry Plc.
- Chairman, Siam Makro Plc.
- Chairman, Thai Asia Pacific Brewery Co., Ltd.
- Chairman, Maesod Palang-ngarn Sa-ad Co., Ltd.
- Director, Siam Cement Plc.
- Director, Thai Pure Drinks Co., Ltd.
- Vice Chairman, Thai Tapioca Development Institute Foundation



Professor
Dr. Athasit Vejajiva
75 years of age
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
- Chief Advisor of the President of the Royal Institute
- Fellow of the Royal Institute, the Academy of Science



Emeritus Professor
Supapun Ruttanaporn
66 years of age
Director and a member of
the Audit Committee

Education

- Master of Business Administration (Accounting), Michigan State University, USA
- Bachelor degree in Accounting (Honor), Chulalongkorn University, Thailand
- Enrollment in 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
- Director and Chairperson of the Audit Committee, Delta Electronics (Thailand) Plc.
- Director and Member of the Audit Committee, Glow Energy Plc.



Dr. Chaipayat Wibulswasdi
64 years of age
Director and a member of
the Audit Committee

Education

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

Work Experience for the past
5 years

- Director, Vice Chairman and Chairman of the Board of Executive Directors, Krung Thai Bank Plc.
- Vice Chairman, Securities and Exchange Commission
- Advisor to the Deputy Prime Minister, Minister of Finance and Minister of Commerce



Mr. Phongthep Chiaravanont
60 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, 2010

- 1,600,000 shares, equivalent to 0.0213% (increased by 1,100,000 shares since December 31, 2009)

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
72 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, 2010

- 16,900,170 shares, equivalent to 0.2247% (decreased by 15,000 shares since December 31, 2009)

Positions in the Company’s
subsidiaries

- Director, CPF Investment Ltd.

Work Experience for the past
5 years

- Advisor of the President, Thai Listed Companies Association
- 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
64 years of age
Director, Executive Director,
President, Chief Executive
Officer, and Acting Chief
Operating Officer –
Food 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 Association

% shareholding in the Company as of December 31, 2010

- 5,247,542 shares, equivalent to 0.0698% (decreased by 52,458 shares since December 31, 2009)

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) Pte Ltd.
- Director, Charoen Pokphand (Taiwan) Investments Ltd.
- Director, Charoen Pokphand Foods Kenya Co., Ltd.
- Director, Coinaton Investments 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 Processing Exporters Association
- Director, CP All Plc.
- Honorary Director, Chiang Mai University Council
- Advisor to Executives, Chiang Mai University



Mr. Pong Visedpaitoon
65 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 on May 4, 2005, the Thai Institute of Directors Association

% shareholding in the Company as of December 31, 2010

- 5,032,686 shares, equivalent to 0.0669% (decreased by 1,467,314 shares since December 31, 2009)

Position in the Company’s subsidiaries

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



Mr. Sunthorn Arunanondchai
68 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 on May 4, 2005, the Thai Institute of Directors Association
- Exrollment in Certificate of Leadership Program No.6, the Capital Market Academy

% shareholding in the Company as of December 31, 2010

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

Work Experience for the past 5 years

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



Mrs. Arunee Watcharananan
62 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, 2010

- 8,027,845 shares, equivalent to 0.1068% (increased by 387,846 shares since December 31, 2009)

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

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



Mr. Teerasak Urunanon
61 years of age
Executive Director, Chief Operating Officer – Domestic Trading, Executive Vice President - Livestock Food Processing Unit, Acting Executive Vice President – Domestic Trading Unit

Education

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

% shareholding in the Company as of December 31, 2010

- 65,754 shares, equivalent to 0.0009% (increased by 44,754 shares since December 31, 2009)

Position 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. Voravit Janthanakul
64 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 on May 4, 2005, the Thai Institute of Directors Association

% shareholding in the Company as of December 31, 2010

- 20,612 shares, equivalent to 0.0003% (increased by the whole amount since December, 2010)

Position in the Company’s subsidiaries

- Director, Bangkok Ago-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, 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, Rajburi Food Co., Ltd.
- Director, Universal Food and Marketing Co., Ltd.
- Director, International Pet Food Co., Ltd.



Mr. Vitit Pootanasap
57 years of age
Executive Director and
Executive Vice President - Aquatic Feed Unit

Education

- Bachelor degree in Business Administration, Ramkamhaeng 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, 2010

- 60,635 shares, equivalent to 0.0008% (increased by 48,535 shares since December 31, 2009)



Mr. Paisan Chirakitcharern
51 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 on May 4, 2005, the Thai Institute of Directors Association

% shareholding in the Company as of December 31, 2010

- 41,492 shares, equivalent to 0.0006% (increased by the whole amount since December, 2010)

Position 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, 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 50 subsidiaries in UK
- Director, CP Foods West, Inc.
- Director, CPF Denmark A/S
- Director, CPF Europe S.A.
- Director, Forward Pass Ltd.
- Director, New Splendid Holdings Ltd.

 <p>Miss Patchara Chartbunchachai 52 years of age Executive Director and Company Secretary</p>	<p>Education</p> <ul style="list-style-type: none">• Bachelor Degree in Accounting, Thammasat University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 461,000 shares, equivalent to 0.0061%	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• Director, Bangkok Produce Merchandising Plc.• Director, C.P. Agro-Industry Co., Ltd.• Director, C.P. Merchandising Co., Ltd.• Director, CPF Food Products Co., Ltd.• Director, CPF Premium Foods Co., Ltd.• Director, CPF Trading Co., Ltd.• Director, CPF IT Center Co., Ltd.• Director, Universal Food and Marketing Co., Ltd.
 <p>Mr. Virachai Ratanabanchuen 61 years of age Chief Operating Officer - Livestock Business and Acting Executive Vice President - Livestock Feed Unit</p>	<p>Education</p> <ul style="list-style-type: none">• Bachelor degree in Business Administration Thammasat University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 1,249,518 shares, equivalent to 0.0166% (decreased by 350,712 shares since December 31, 2009)	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• Director, Charoen Pokphand Northeastern Plc.• Director, Bangkok Food Products Co., Ltd.• Director, CPF Trading Co., Ltd.• Director, C.P. Laos Co., Ltd.
 <p>Mr. Anek Boonnoon 57 years of age Executive Vice President - Livestock Farming Unit</p>	<p>Education</p> <ul style="list-style-type: none">• Bachelor degree in Agriculture (Veterinary Sciences), Kasetsart University, Thailand <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 48,535 shares, equivalent to 0.0006% (increased by the whole amount since December 31, 2009)	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• 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.• Director, Charoen Pokphand Foods Kenya Co., Ltd.

 <p>Mr. Prajit Udnoon 60 years of age Executive Vice President - Poultry Breeding and Farming Research and Development Unit</p>	<p>Education</p> <ul style="list-style-type: none">• Bachelor of Science in Animal Husbandry, Chiang Mai University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 353,428 shares, equivalent to 0.0047% (increased by the whole amount since December 31, 2009)	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• Director, Bangkok Agro-Industrial Products Plc.
 <p>Mr. Somkuan Choowatanapakorn 62 years of age Executive Vice President - Swine Breeding and Farming Research and Development Unit</p>	<p>Education</p> <ul style="list-style-type: none">• Master of Animal Breeding, Kasetsart University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 6,693,419 shares, equivalent to 0.089% (increased by 1,693,419 shares since December 31, 2009)	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• Director, Bangkok Agro-Industrial Products Plc.• Director, Bangkok Food Products Co., Ltd.• Director, B.P. Food Products Co., Ltd.
 <p>DVM Sujint Thammasart 57 years of age Executive Vice President - Aquatic Farming Unit and Aquatic Breeding and Farming Research and Development Unit</p>	<p>Education</p> <ul style="list-style-type: none">• Bachelor degree in Veterinary Medicine, Kasetsart University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 79,606 shares, equivalent to 0.0011% (increased by the whole amount since December 31, 2009)	<p>Positions in the Company's subsidiaries</p> <ul style="list-style-type: none">• Director, Seafoods Enterprise Co., Ltd.

	<p>Education</p> <ul style="list-style-type: none">• Doctorate in Poultry Nutrition, Oregon State University, USA <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 1,602,921 shares, equivalent to 0.0213% (increased by 202,871 shares since December 31, 2009) <p>Positions in the Company’s subsidiaries</p> <ul style="list-style-type: none">• Director, Klang Co., Ltd.• Director, CPF Trading Co., Ltd.
	<p>Education</p> <ul style="list-style-type: none">• Bachelor degree in Economics, Thammasat University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 52,486 shares, equivalent to 0.0007% (increased by the whole amount since December 31, 2009) <p>Positions in the Company’s subsidiaries</p> <ul style="list-style-type: none">• Director, CPF Food Products Co., Ltd.• Director, CPF Premium Foods Co., Ltd.• Director, International Pet Food Co., Ltd.
	<p>Education</p> <ul style="list-style-type: none">• Professional Diploma, Assumption Commercial College• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 179,031 shares, equivalent to 0.0024% (decreased by 112,969 shares since December 31, 2009) <p>Positions in the Company’s subsidiaries</p> <ul style="list-style-type: none">• Director, C.P. Merchandising Co., Ltd.• Director, C.P. Food Products, Inc.• Director, CP Foods (UK) Ltd. and 50 subsidiaries in UK• Director, CP Foods West, Inc.• Director, CPF Denmark A/S• Director, CPF Europe S.A.• Director, CPF Food Trading Co., Ltd.

Dr. Sommai Tachasirinugune
55 years of age
Executive Vice President – Aquatic Food Processing Unit

Mr. Sukhawat Dansermasuk
60 years of age
Executive Vice President – Ready Meal Unit

Mr. Pisit Ohmpornnuwat
56 years of age
Chief Operating Officer – Overseas Trading

	<p>Education</p> <ul style="list-style-type: none">• Master of Business Administration, Chulalongkorn University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 50,247 shares, equivalent to 0.0007% (increased by the whole amount since December 31, 2009) <p>Positions in the Company’s subsidiaries</p> <ul style="list-style-type: none">• Director, CPF IT Center Co., Ltd.
	<p>Education</p> <ul style="list-style-type: none">• Bachelor of Public Administration, Chulalongkorn University, Thailand• Enrollment in Directors Accreditation Program on May 4, 2005, the Thai Institute of Directors Association <p>% shareholding in the Company as of December 31, 2010</p> <ul style="list-style-type: none">• 31,981 shares, equivalent to 0.0004% (increased by the whole amount since December 31, 2009) <p>Positions in the Company’s subsidiaries</p> <ul style="list-style-type: none">• Director, CPF Training Center Co., Ltd.

Mr. Praderm Chotsuparach
61 years of age
Executive Vice President – Information Technology and Application Unit

Mr. Tinakorn Ruenthip
60 years of age
Executive Vice President – Human Resource Unit

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.

CPF’s 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.

Personnel

As of December 31, 2010, CPF had a total of 25,422 employees and workers with remuneration paid in 2010 of THB 6,405 million, covering salary, wages and other benifit. They can be grouped according to business units as follows:

Business	Persons
1. Livestock Business	8,185
2. Aquaculture Business	17,237
TOTAL	25,422

As of December 31, 2010, CPF and its subsidiaries had a total of 65,206 employees and workers.

Corporate Governance

1. 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.

To convene the Annual General Shareholders' Meeting, the Company gives equitable treatment to all shareholders and facilitates the attendance of shareholders, even shareholders who show up late at 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 2010, 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.

The Company posted the information regarding the Annual General Shareholders' Meeting of the year 2010 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. The Company also 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 Shareholders' Meeting 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 Shareholders' Meeting of the year 2010 was held at Montien Riverside Hotel, Rama 3 Road, Bangkholaem, Bangkok. To facilitate the attendance of 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 Shareholders' Meeting of the year 2010, 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 22 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 of the Board of Directors could not attend the meeting, the Vice Chairman shall preside over the Meeting, according to the Articles of Associations of the Company. Therefore, Pol. Gen. Pow Sarasin, a Vice Chairman, took on the role of Chairman of 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 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.

2. 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 Investor Relations Office shall prepare and submit the report on the shareholding and any sales or purchase of shares held to the Company Secretary Office for further submission to the Office of 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 Secretary Office 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 trading 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 Capital Market Supervisory Board. In addition, to have the sufficient information to be used for complying with the rules concerning the connected transactions, which may cause conflict of interests and may lead to a transfer of the Company's benefit, the Board of Directors approved the rule and procedure of the report on the interest of directors and executives according to the Notification of the Capital Market Supervisory Board No. TorChor 2/2552 Re: Report of Interest of Directors, Executives and Related Persons.

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.

3. 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;
- 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;
- Establish the Employee Joint Investment Program ("EJIP") to build up employee motivation, strengthen employee collaboration and retain employees with the Company;
- 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 as well as the prohibition of using the Company's properties for personal interest or in an inappropriate way, 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;
- 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;
- 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;
- 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;
- Set up a Safety, Health and Environment (SHE) Committee to be responsible for all relevant activities.

4. 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 Investor 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;

- 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.

5. Responsibilities of the Board of Directors

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 whereas the Chairman of the Board of Directors shall not hold the office of chairman or member of any sub-committees, and shall not be the President. From the Annual General Shareholders' Meeting of the year 2010 onwards, at least one-third of all members of the Board of Directors, but not less than 3 members, shall be independent directors according to the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552. Since the Annual General Shareholders' Meeting of the year 2010, the Company's Board of Directors has consisted of 15 members, and 5 of them were independent 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 Capital Market Supervisory Board.

Upon joining the Board, each director will receive important information on the Company, Articles of Association of the Company related to the roles and responsibility of the Board of Directors, advice concerning laws, regulations, and conditions of being a director of a listed company and the orientation of the Company's businesses.

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-fourths 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 73)

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 System

At the Board of Directors' meeting No.2/2011 held on February 25, 2011, the Audit Committee, comprising 5 independent directors, was present to review the Company's internal control system. From questioning the information and data gathered and reported by Internal Audit Department, 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 2010 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, 2010 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 5 independent directors; namely Pol. Gen. Pow Sarasin as the Chairman, Mr. Arsa Sarasin, Professor Dr. Athasit Vejjajiva, Emeritus Professor Supapun Ruttanaporn, together with Dr. Chaipayat Wibulwasdi as members of the Audit Committee. The Board of Directors appointed Dr. Chaipayat Wibulwasdi as a member of the Audit Committee from May 1, 2010, onwards.

During the year 2010, the main activities under duties and responsibilities assigned by the Board of Directors can be summarized on follows:

1. 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.
2. Review transactions and disclosure of information during the year on the connected transactions, as well as those transactions which may cause conflict of interests in 2010.
3. 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.
4. Review compliance with the securities and exchange law, the Stock Exchange's regulation, and the laws relating to the Company's business.
5. 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 system.

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 business transactions or supporting normal of business transactions which may cause the conflict of

interests was reasonable and was conducted on arm's length basis and compliance with guidelines approved by the Board. 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. In performing duty, the Audit Committee is able to perform its assignment independently.

The meetings of the Committee in the year 2010 constituted 11 times, in which Pol. Gen. Pow Sarasin and Mr. Arsa Sarasin attended 11 times, Professor Dr. Athasit Vejjajiva attended 7 times, Emeritus Professor Supapun Ruttanaporn attended 10 times and Dr. Chaipayat Wibulwasdi (appointed as a member from May 1, 2010, onwards) attended 6 times from total meeting 7 times.

Furthermore, the Committee has assessed the independence and performance of external auditor and agreed to propose the Board of Directors to seek for the shareholders' approval on appointing Mr. Charoen Phosamritlert, Mr. Veerachai Ratanajaratkul and Mrs.Munchupa Singsuksawat of KPMG Phoomchai Audit Limited to be the external auditors of the Company for the year 2011, with the remuneration of THB 3,710,000 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 25, 2011

Related Transactions

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 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 2010, the Company entered into transactions with related persons, of which 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, 2010, the Company had accounts receivable arising from transactions with associated and related companies totaled THB 1,973 million, or 13% of total accounts receivable. (2009: THB 1,321 million)

• Accounts Payable

As of December 31, 2010, the Company had accounts payable arising from transactions with associated and related companies totaled THB 753 million, or 8% of total accounts payable. (2009: THB 868 million)

• Sales

In 2010, the Company sold products to associated and related companies based on normal price list. The value of these transactions in 2010 was THB 7,911 million, or 4% of total sales. (2009: THB 6,738 million)

• Purchase of Raw Materials

In 2010, the Company purchased raw material from associated and related companies based on normal price list. The value of these transactions in 2010 was THB 14,511 million, or 9% of total cost of goods sold. (2009: THB 16,531 million)

• Other Income

In 2010, 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 133 million, or 0.1% of total revenues. (2009: THB 136 million)

• Rental and Services Fees

CPF and certain subsidiaries have lease agreements covering office premises including facilities, land, livestock farm, and vehicles with certain related companies for periods of 1 to 10 years, which will expire in 2011 to 2020. The rental and services fees obligation of the CPF and certain subsidiaries as of December 31, 2010 amounted to THB 1,754 million (2009: THB 1,437 million).

The Company rented assets from associated and related companies according to the rates set by the owners. As of December 31, 2010, the value of these transactions was THB 1,102 million, or 6% of total selling and administrative expenses. (2009: THB 997 million)

• Technical Service Fee

CPF and certain subsidiaries had technical service agreements with the ultimate parent company, Charoen Pokphand Group Company Limited (CPG). Under the terms of the agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feeds for the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity dependent upon the types of feed as stipulated in the agreements, to CPG. The minimum service fee ranges from THB 0.1 million to THB 1.3 million per month. These agreements ended at the end of the year 2010. CPF and certain subsidiaries have extended the agreements for an additional period until 30 June 2011 with the same conditions and fee rates.

In addition, 2 foreign subsidiaries had 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. These agreements will be ended in year 2016

In 2010, the Company paid CPG. for technical service concerning animal feed ingredients totaled THB 360 million, or 0.2% of total cost of goods sold. (2009: THB 286 million)

• Insurance Premium

In 2010, the Company paid insurance premiums to Allianz C.P. Insurance Company Limited, the associate company, and Ayudhaya Allianz C.P. Life Insurance Public Company Limited, the related company, totaled THB 211 million, or 1% of the Company’s total selling and administration expenses. The insurance premium rates were standards set by the insurers. (2009:THB 197 million)


• Other Expenses

In 2010, the Company paid software application service fee, sales promotion fee, transportation fee and other fees, to related companies amounted THB 985 million. (2009: THB 747 million)

• Others

CPF and certain subsidiaries have hire-of-work agreements to construct buildings, structures and others, including equipment and others purchasing with certain related companies. In 2010, the payments in respect of these agreements totaled THB 467 million. (2009: THB 332 million)

A subsidiary entered into an agreement with a related company (Star Marketing Co., Ltd. (STAR)) for the right to use STAR trademark. In this regard, the subsidiary is committed to pay the trademark license fee upon the sales under the trademarks. The agreement has a period of 5 years which will expire in 2012. The fees for the year 2010 totaled THB 30 million. (2009: THB 30 million)

In addition, the Company entered into agreements with the parent company of the Company (CPG) for the right to use  trademark. In this regard, the Company 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. The fees for the year 2010 totaled THB 42 million. (2009: THB 32 million)

In the first quarter of 2006, a subsidiary, C.P. Merchandising Co., Ltd. (CPM), entered into a share sale and purchase agreement to sell the investment in shares of its former associate, Lotus-CPF (PRC) Investment Co., Ltd. (Lotus-CPF), totaling 38,960,000 shares (equivalent to 40% of issued shares of Lotus-CPF) to a related company, Union Growth Investments Limited (Union Growth), 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 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 Company 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 Company ceased to recognize the equity from the investment in Lotus-CPF since the date of sale of the investment, because the Company 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 Company recorded the gain on sale of investment of the associate amounting to THB 399 million in the account “Deferred gain on sale of investment” because the Company considered that the proceeds from sale of investment will be made in long-term installments. The deferred gain will not be recognized

in the consolidated statement of income until receipt of the proceeds in full in October 2010.

During the fourth quarter of 2010 the Company received the proceeds in full. In this regard, the Company recorded deferred gain on sale of investment in “Gain on sale of investment” in the consolidated statement of income.

In the third quarter of 2010, a subsidiary, C.P. Aquaculture (Hainan) Co., Ltd. (CPH), sold its machinery and other assets of animal feed factory (leased property) in China to a related company, Hainan Chia Tai Animal Husbandry Co., Ltd. (HCT), at the total price of approximately RMB 26.8 million or approximately THB 120 million, since the lease contract expired on August 10, 2010, and HCT proposed to purchase the CPH’s assets being used with the leased property. The book value of CPH’s assets was RMB 26.4 million, and when compared with the selling price, the Board of Directors was of the opinion that the said selling price was appropriate.



Fresh



Appetizer : Chicken



Appetizer : Pork



Appetizer : Shrimp



Ready-to-Eat Products



Oversea Products



Creating a better tomorrow for all to share.

Our sustainable business practices are not oriented towards maximizing profits but also giving importance to our employees and other stakeholders. We transfer knowledge and knowhow to communities, maintain good business relationships and sound finances while also caring for environment and dedicating to our country.

Kitchen of the World

www.cpfworldwide.com



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 “At CPF, CSR is always in our hearts and minds.”

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.

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 “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 Business, which has expanded to include the famous Hainan Chicken rice as well as other rice and noodle menus. In the future, the Company plans to incorporate its retail shops (CP Fresh Mart) under this concept for business owners as well.

The Company believes that 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. The Company has initiated the following projects:

• Raising Chicken Layers for Students’ Lunch Project

To assist children in rural and remote areas to improve living standard, the Company has continually been supporting “the Raising Egg Layers for Students’ Lunch Project” as a response to the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn for over 20 years. This on-going project aims 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 elementary students at more than 320 Border Patrol Police Schools and those under the Office of the Basic Education Commission nationwide, with plans to support 50 more 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. Almost 95,000 students from some over 500 institutions nationwide have visited the Company’s factories 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. Exchanging Dry Garbage for Fresh Eggs: from 2008 to the end of 2010, the Company exchanged total of 1,850,000 fresh eggs for such garbage with Klong Toey and neighboring communities to reduce community waste and encourage people to have awareness of cleanliness and improve their own environment. On top of this, they have quality-protein chicken eggs in return.
2. Mangrove Planting and Community Reforestation Project: the Company has been supporting mangrove planting activities of university students, shrimp farmers, and Office of Wetlands International in Thailand for over 18 consecutive years.
3. Eco-friendly Shrimp Farming to Paddy Fields Project in Tambon Bang Taen, Amphoe Ban Sang, Prajin Buri: the Company has successfully developed a shrimp farming system with effective prevention of salt water permeating into nearby rice paddy with a minimum effect on the neighboring ecology through its pilot farm in Bor Sang District, Prachinburi.



4. Lam Nam Moon (Moon River) Basin Conservation Project is another co-operative project between the Company and Nakhon Ratchasima authority, its provincial fishery office, and neighboring communities to reduce natural water consumption in factories while restoring and keeping up good conditions of the basin as well as its tributaries, apart from cultivating environmental conservation awareness in the community.
5. Carbon Footprint Program – Carbon Label Project: CP Teriyaki Chicken and CP Fresh Chicken are the world’s first chicken products to have carbon footprint labels. The Company was selected as a pilot company for joint research on reducing the carbon dioxide footprint in its trade to minimize effects on climate change, a cause of global warming. By the end of 2011, the Company strives for 40 follow-on products winning carbon footprints and 115 livestock farms under the program.

On energy conservation, the Company has implemented an international-standard innovation to enhance work efficiency, reduce energy consumption and developing alternative energy to reduce air and environmental 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 carbon dioxide emission and increase competitiveness domestically and overseas.

The Company is planning to register this project under the Clean Development Mechanism (CDM) with UNFCCC-EB under the name "CPF Energy Efficiency Improvement Project – Cogeneration", endorsed by the Thailand Greenhouse Gas Management Organization (Public Organization). Consisting of the Natural Gas Co-generation Project and Biogas from Wastewater Management Project undertaken by 5 CPF's group factories, it is expected to reduce about 50,000 tons a year in carbon dioxide equivalent of greenhouse gases.

• Bio-gas Project

The Company is among the pioneering companies to introduce a biogas system from waste management in livestock farms to generate electricity for farms. This not only saves electricity consumption derived from fossil fuels, but also brings down the atmospheric methane level that leads to global warming. The Company also introduced the biogas system to livestock farmers working together with it, who are now taking part in reducing global warming as well as reducing their energy costs and increasing their production efficiency. On average, today the Company can reduce more than

260,000 tons a year of carbon dioxide equivalent of greenhouse gases.

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

The Company converts vegetable oil that had been used from food processing plants into bio-diesel for factory 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 such as flood and extreme cold weather. The Company supports various rural development projects initiated by university student clubs and promote CP food caravans where special discounts were given on 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 Management



1. Safety, Health, and Environment Management System

For sustainable growth, the Company has developed

CPF SHE Management System and applied to its business units since 2008.

Currently, 43 business units of the Company have successfully implemented CPF SHE Management System and were certified. The Company aims for every business unit to implement the system and be certified by 2013. Details of units which implemented CPF SHE Management System and be certified are as follows:

Business Unit	Number of Units	Performance	
		Certified (Units)	Implemented (Units)
Animal Feed Unit	16	4	12
Animal Farm Unit	343	30	313
Food Processing Unit	70	9	61



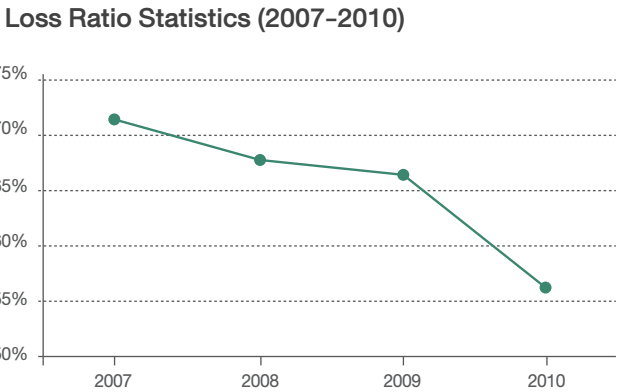
2. The Results of the Safety and Health Management

Implementation of the CPF SHE Management System has increased the Company's safety and health management efficiency, as shown below in our accomplishments and awards presented by the Department of Labour Protection and Welfare, as follow:

- 2.1 Outstanding Workplace Safety, Health and Environment Awards: In 2010, a total of 487 companies nationwide won this award, 54 of which went to companies within the CPF Group or 11% of total awards. Moreover, the Company's aquatic feed mill in Ban Phru, Songkhla won 3 awards this year in the categories of outstanding workplace, outstanding professional safety officer and outstanding safety management committee.
- 2.2 Outstanding Professional Safety Officer Awards: In 2010, a total of 9 companies nationwide won this award, 7 of which went to companies within the CPF Group—a remarkable 78% of total awards.
- 2.3 Outstanding Safety, Health, and Environmental Committee Awards: In 2010, a total of 5 companies nationwide won this award, 1 went to companies within the CPF Group or 20% of total awards.
- 2.4 Zero Accident Awards: In 2010, a total of 384 companies nationwide won this award, 75 went to companies within the CPF Group or 20% of total awards.

3. The Results of the Vehicle Safety Management

According to our SHE policy to mitigate and prevent accidents occurring to our employees and others, the Company targeted vehicle accident rate to no more than 55% of car insurance coverage premiums, known as the Loss Ratio. Its performance has gradually improved in the past 4 years, as shown in the graph below:



- Key factors for greater safety:
- The encouragement of the CPF SHE Management System to create systematic vehicle safety management.
 - A Point System was introduced in 2009 to follow up safety vehicle behavior. The system reports the daily vehicle behavior of an individual to his/her superior. His/her superior then follows up and gives his/her subordinate a warning if his/her driving behavior is at risk. The process has led to

the so-called “brotherly advice culture”, which focuses on giving advice and guidance rather than giving punishment.

4. The Results of the Environment and Energy Management

Under the CPF SHE Management System, the Company has the policy to manage all business units with responsibility to environment by giving priority to pollution prevention, natural resource conservation and reuse, and efficient operation by ensuring: 1) a monitoring system and continuous improvement of the effectiveness of environmental operation 2) environmental inspection and assessment of business units to ensure that they conform to environmental regulations and meet objectives and goals, and at the same time be able to efficiently control risks, and 3) investigation and evaluation of new technologies on pollution control, natural resource conservation, and regular support of sustainable business operation.”

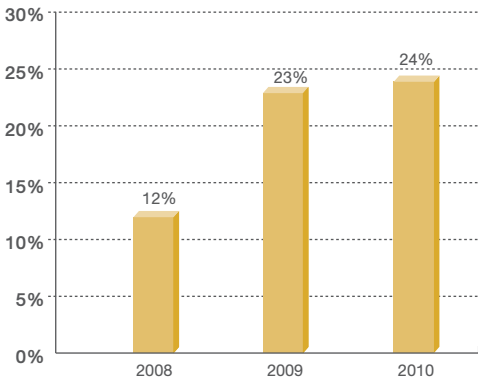
Environmental Management

As for its environmental management, the Company has clearly defined an environmental management policy that every business unit has to strictly conform to the environmental quality laws. In 2010, all relevant business units conformed to environmental quality laws.

Energy Management

- Increase of the ratio of alternative energy used in production processes
- According to the Company's environmental friendly policy, the Company has increased the usage of the alternative-energy such as bio-gas in its production line in favor of fossil fuels. The adjustment has substantially minimized greenhouse gas emission and was in line with the government's alternative-energy development plan that required more growth in domestic renewable energy consumption.

Ratio of alternative energy used in production processes



The Company's consumption of alternative energy has increased from 12% in 2008 to 24% in 2010, with a steady growing trend—a proof that the Company has a sustainable management system that is up to international standards.

• Energy-related projects

In 2010, the Company had 9 energy-saving projects such as stack heat recovery for boiler air-warming of the animal feed and the construction units, the Dissolved Air Flotation (DAF) project, and the water pH adjustment process of the integrated food processing unit of chicken processing plant in Korat. Most of these required advance technical knowledge, energy technology, and higher investment.

5. Concerns for Global Warming

5.1 The Clean Development Mechanism Project: CDM

Bio-gas project from swine manure

The Company is currently working on voluntary CDM projects, with participating farms expanded from 29 in 2009 to 39 in 2010. The Company expects to minimize greenhouse gas emission by 140,000 tons of carbon dioxide equivalent per year from its cover lagoon wastewater treatment systems. The cover lagoon wastewater treatment systems will use plastic sheets

to cover the lagoon to trap bio-gas, largely methane gas, which creates the greenhouse effect. Our swine farmers are now equipped with knowledge and ability to help reduce greenhouse gas emission.

5.2 Carbon Footprint and Carbon Labeling

Global warming is a climate change phenomenon resulting from the increasing temperatures of the earth crust and the ocean. Man is causing this change as we continue to burn massive fossil fuels that release greenhouse gases, particularly carbon dioxide, to the atmosphere. Increasing carbon dioxide concentration prevents infrared radiation from escaping from the Earth. This phenomenon is better known as the greenhouse gas effect, which is widespread today, including in Thailand. Weather patterns are changing and natural catastrophes are increasingly commonplace.

The Company is aware and is conscious of the impact of business on the environment and has therefore undertaken numerous actions starting with changes in the way the Company manages its operations and its manufacturing process with the underlying emphasis of reduction in fuel consumption. On the other hand, the Company is also very much involved in seeking alternative fuel along with conservation of and revitalizing the environment.

The company is involved in a joint project with the European Union to develop the trading of goods with the reduction of the carbon dioxide emission to minimize effects on climate change—the so-called Carbon Footprint & Carbon Labeling.

The Carbon Footprint add-on not only provides competitive advantage for the Company's food business but also provides an impetus for the Company to become a leader in the environmentally friendly business aside from being a leader in quality and food safety. This

environmentally conscious effort helps promote the Company's products among green consumers while enabling the Company to cut production costs from efficient use of energy and raw-material.

The Carbon Footprint Project initiative will ensure the Company's readiness to operate in the Low Carbon Economy, to which European Union members like the UK and France are giving priority. The Company has earned the Carbon Footprint label for its chicken products and this success is propelling the Company to proceed with Carbon Footprint projects with its other products.

In addition, the Company has founded the Carbon Footprint Information Center under the environmental cooperation with Luneberg University and International for Environmental Institute of Hamburg, Germany. The center acts as a Carbon Footprint information center to aid analyses of how to eliminate greenhouse gas emissions, as well as the first and most up-to-date database of the Thai industrial sector. Besides, the Company cooperates with the public sector and educational institutions such as the Thailand Greenhouse Gas Management Organization, National Metal and Materials Technology Center, and Kasetsart University in jointly determining the environmental standards for Carbon Footprint, including provision of an environmental database for Thailand.

6. Social Responsibility Campaign

The Company carried out proactive relations activities with people and organizations affected by its operation or with those who are interested in its operation. The Company is open to concerns and comments and will take them into consideration in its decision-making. Therefore, The Company joined the CSR-DIW Project with the Corporate Social Responsibility-Department



of Industrial Works, which covers corporate social responsibility in 7 areas; corporate governance, labor practices, fair practices, community engagement and development, human rights, environmental, and consumer aspects. The Company joined this project in 2009 and our business units were certified as follows:

	Animal Feed Unit	Food Processing Unit
2009	-	1
2010	3	6

Plaques and certificates for quality standard from CSR-DIW were awarded to these plants:

1. Animal feedmill at Bangna-Trad, Km.21
2. Animal feedmill in Ratchaburi
3. Aquatic feedmill in Mahachai, Samut Sakhon
4. Chicken Processing Plant in Nakhon Ratchasima
5. Swine Processing Plant in Chachoengsao
6. Food Processing Plant in Nong Chok, Bangkok
7. Aquatic Food Processing Plant in Mahachai, Samut Sakhon
8. Aquatic Food Processing Plant in Ranot, Songkhla
9. Aquatic Food Processing Plant in Klang, Rayong – This was the Company's first plant to be certified with the CSR-DIW standard. The plant has been



continuously gearing toward developing higher standards in all aspects and elevates assorted criteria and as a result, won a CSR-DIW Continuous Award in 2010.

Other Awards

In order to apply CPF SHE Management System, the CPF SHE Office introduced the ISO 9001:2008 quality management system and used it to monitor quality standard and performance; the Company was later certified by SGS in 2010.



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 and the second dividend payment shall be paid as an annual dividend. 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’ 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 ended December 31, 2010, CPF’s dividend income from subsidiaries totaled THB 6,313 million, of which THB 3,741 million was from subsidiaries that are non-public limited company.

Capital in Brief

Registered capital and paid-up capital as of December 31, 2010

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)
Shares repurchased for financial management ^{1/}	: 471,000,000 shares
Number of Outstanding Shares (Net of Repurchased Share)	: 7,048,937,826 shares

Note : ^{1/}The Company repurchased its shares during the period from August 28, 2008 to February 27, 2009. At the end of the program, the total cumulative number of shares repurchased totaled 471,000,000 shares or equivalent to 6.26% of the total number of the Company’s paid-up shares with a total consideration of THB 1,624 million (excluding commission fees and VAT)

The Board of Directors have to approve the disposition of repurchased shares prochedures. The last date of the share disposition is February 27, 2012. As of December 31, 2010, the Board of Directors, however, has not yet determined the disposition of repurchased shares.

Summary of the Employee Joint Investment Program (EJIP)

EJIP is a joint investment in “CPF” ordinary shares between the Company and its employees under criterions and procedures as stipulated in the memorandum of understanding on the EJIP of listed company. The program encourages job motivation and builds a sense of belonging and loyalty. This program was approved by the Office of the Securities and Exchange Commission (SEC) on April 16, 2010. The details of EJIP are summarized as follows:

1. Companies joining the program
CPF and its subsidiaries, to be referred as “the Company”
2. Program period
From April 1, 2010 to March 31, 2013, the total duration is 3 years.
3. Eligible participants under EJIP
Employees of the Company starting from the assistant department manager an upper on a voluntary basis (“the participant”)
4. EJIP arrangement
During the program period, the Company will deduct money from payroll of the participants at a rate specified by each participant, but not exceeding 5% of the salary of each participant by a monthly basis (“employee’s investment”). The Company will contribute 80% of such deducted amount (“employer’s top-up”). The sum will be transferred to a securities company as assigned by the Company to manage EJIP, who will deposit it into the participant’s EJIP account before buying CPF shares on the SET under the specified criteria, means, and conditions defined in the agreement among the Company, the participants and TISCO Securities.

5. Conditions of securities holding

EJIP participants may sell or transfer CPF shares under the following conditions:
 - is able to sell the shares not exceeding half of all amount of shares bought in the securities trading account of each participant after the program reaches 1 year period (starting from April 1, 2011 onwards),
 - is able to sell all remaining shares after the EJIP period is ended (starting from April 1, 2013 onwards).
The above conditions are not applicable for the participant who is no longer the employee of the Company or exits from the EJIP, according to the agreements among the Company and the participant.

Shareholders

(as of the latest closing date of shareholder registration book at August 26, 2010)

Type	% Holding (before net of repurchased shares for financial managemnet)
1. Thai individuals	20.54%
2. Foreign individuals	0.11%
3. Thai juristic persons	60.25%
4. Foreign juristic persons	19.10%
Total	100.00%

Foreign Holding Limit

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

The aliens may acquire ordinary shares of CPF in excess of the restricted ratio prescribed in preceding paragraph by means of exercising their rights of convertible debenture holders or warrant holders or subscription of newly issued ordinary shares (including dividend shares or ordinary shares issued to the holders of ordinary shares who have acquired the shares under conditions in this paragraph); issued and offered for sale by CPF; provided that the holding of new ordinary shares in such case, when added to the ordinary shares held by aliens according to previous paragraph, shall not cause the total number of ordinary shares held by aliens exceed 49% of the total numbers of ordinary shares then issued by CPF. This 49% restriction on shareholding by the aliens shall apply to the case of transfer of ordinary shares from the aliens

who have acquired the new ordinary shares by means exercising of their conversion rights or subscription of capital increase shares issued and offered for sale by CPF under conditions in this paragraph (including dividend shares or new ordinary shares issued to the holders of ordinary shares who have acquired shares under conditions in this paragraph) to the aliens in every stage of transfer until such shares are transferred to the non-aliens.

As of August 26, 2010, there were 19.21% of CPF’s issued shares held by foreign investors.

Top 10 Major Shareholders

As of the latest closing date of shareholder registration book at August 26, 2010

Name	No. of Shares	% Holding (before net of repurchased shares for financial management)
1. Charoen Pokphand Group Co., Ltd. ^{1/}	3,068,612,295	40.81%
2. Thai NVDR Co., Ltd. ^{2/}	314,637,309	4.18%
3. State Street Bank and Trust Company ^{3/}	141,959,487	1.89%
4. HSBC (Singapore) Nominees Pte Ltd. ^{4/}	131,763,261	1.75%
5. The Bank of New York Mellon ^{4/}	112,651,649	1.50%
6. Ms. Walaiporn Jiraphummin	107,500,000	1.43%
7. Social Security Office ^{5/}	79,990,500	1.06%
8. Nortrust Nominees Ltd. ^{6/}	79,046,876	1.05%
9. Mr. Prin Tienworn	75,000,000	1.00%
10. Raffles Nominees Pte Ltd. ^{3/}	72,327,386	0.96%

Remarks:

^{1/} Includes shareholding of Charoen Pokphand Group Co., Ltd. (“CPG”) 23.75%, Charoen Pokphand Holding Co., Ltd. 11.83%, Bangkok Agro-Industrial Public Co., Ltd. 1.94%, Bangkok Produce Merchandising Public Co., Ltd. 1.10%, Bangkok Food Products Co., Ltd. 0.92%, Charoen Pokphand Industry Co., Ltd. 0.41%, and Plenty Type Ltd. 0.85%. The Chearavanont family is the major shareholder of CPG with total holding of 91.68%. (Top 10 major shareholders of CPG and % shareholding of such persons are as follows: Mr. Sumet Jiaravanon 12.96% Mr. Dhanin Chearavanont 12.96%, Mr. Jaran Chiaravanont 12.76%, Mr. Montri Jiaravanont 12.63%, Mr. Kiat Chiaravanont 5.76%, Mr. Phongthep Chiaravanont 3.65% and Mrs. Yupa Chiaravanond, Mr. Prathip Chiravanond, Mrs. Phatanee Leksisompong, Mr. Vajarachai Chiaravanond, Mr. Manu Chiaravanond and Mr. Manas Chiaravanond 3.62% each.

^{2/} A Thai company, contact information: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klong Toey, Bangkok 10110, Thailand

^{3/} A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Sathorn Nakorn Tower, 14th Floor, Zone B, North Sathorn Road, Silom, Bangkok 10500, Thailand

^{4/} A foreign company, contact information: 968 HSBC Building, 5th Floor, Rama 4 Road, Bangrak, Bangkok 10500, Thailand

^{5/} A Thai government department, contact information: Siam Commercial Bank Plc., Markets Operations Division, 1060 Building 2, 3rd Floor, Phetburi Road, Makkasan, Ratchatawee, Bangkok 10400, Thailand

^{6/} A foreign company, contact information: Citibank N.A. 399 Interchange Tower 21, 12th Floor, Sukhumvit Road, North Klongtoey, Wattana, Bangkok 10110, Thailand

Note: Charoen Pokphand Group Co., Ltd. does not have any shareholdings in no. 2-5, no. 7-8 and no. 10.

Information of Companies in which the Company has Shareholding

Subsidiaries

As of December 31, 2010, there were 110 subsidiaries in which CPF directly or indirectly holds more than 50% of their paid-up capital and companies that CPF has control, categorized by business type as follows:

Livestock Business in Thailand (17 companies)

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
1. Bangkok Produce Merchandising Plc.	Animal feed raw material distribution and broiler integration	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2631-0989	THB 600,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.44%
2. Bangkok Agro-Industrial Products Plc.	Animal feedmill and livestock farming	Bangkok, Thailand Tel. 0-2680-4500 Fax 0-2680-4692	THB 1,500,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.98%
3. Bangkok Food Products Co., Ltd.	Animal feedmill, livestock farming and food processing plant	Bangkok, Thailand Tel. 0-2675-9859 Fax 0-2675-9813	THB 666,600,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
4. Charoen Pokphand Northeastern Plc.	Animal feedmill and livestock farming	Bangkok, Thailand Tel. 0-2680-4500 Fax 0-2680-4692	THB 300,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.61%
5. Charoen Pokphand Industry Co., Ltd.	Animal feedmill and livestock farming	Bangkok, Thailand Tel. 0-2680-4500 Fax 0-2680-4692	THB 166,650,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
6. CPF Food Products Co., Ltd.	Broiler chicken integration	Bangkok, Thailand Tel. 0-2641-1234 Fax 0-2641-1979	THB 2,800,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
7. CPF Trading Co., Ltd.	Wholesale and retail food products	Bangkok, Thailand Tel. 0-2693-0583 Fax 0-2693-0584	THB 800,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
8. CPF Logistics Co., Ltd.	Transportation services	Bangkok, Thailand Tel. 0-2784-5713 Fax 0-2784-5799	THB 40,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
9. C.P. Agro-Industry Co., Ltd.	Livestock farming	Suratthani, Thailand Tel. 0-7728-2229 Fax 0-7728-2230	THB 400,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
10. C.P. Food Products Co., Ltd. ^{1/}	Restaurant	Bangkok, Thailand Tel. 0-2641-1333 Fax 0-2641-0333	THB 228,200,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
11. C.P. Merchandising Co., Ltd.	Investment and international trading	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2638-2749	THB 1,850,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
12. CPF Premium Foods Co., Ltd.	Food processing plant	Chachoengsao, Thailand Tel. 0-3859-3046 Fax 0-3859-3587	THB 700,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%

Remarks: ^{1/} Already registered the Company dissolution and in the process of liquidation.

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
13. B.P. Food Products Co., Ltd.	Animal feedmill and livestock farming	Saraburi, Thailand Tel. 0-3637-1885 Fax 0-3637-6578	THB 345,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
14. Bangkok Farm Co., Ltd. ^{2/}	Livestock farming and processing plant	Bangkok, Thailand Tel. 0-2641-1234 Fax 0-2641-1979	THB 42,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.99%
15. Universal Food and Marketing Co., Ltd.	Wholesale and retail food products	Bangkok, Thailand Tel. 0-2673-1095 Fax 0-2673-1546	THB 80,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
16. Rajburi Foods Co., Ltd.	Animal feedmill and livestock farming	Rajburi, Thailand Tel. 0-3236-8181-9 Fax 0-3236-8062	THB 470,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
17. International Pet Food Co., Ltd.	Pet food production and distribution	Bangkok, Thailand Tel. 0-2673-1095 Fax 0-2673-1546	THB 60,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%

Aquaculture Business in Thailand (4 companies)

18. Thai Prawn Culture Center Co., Ltd. ^{1/}	Shrimp farming and processing plant	Songkhla, Thailand Tel. 0-7458-7571-2 Fax 0-7439-6749	THB 45,000,000 (all in ordinary shares) Par Value THB 100.00 per share	99.90%
19. Klang Co., Ltd. ^{3/}	Shrimp processing plant	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2631-0776	THB 300,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
20. Seafoods Enterprise Co., Ltd. ^{3/}	Shrimp processing plant	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2631-0776	THB 20,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
21. Pokphand Aquatech Co., Ltd. ^{1/}	Aquatic feed production and distribution and aquaculture farm	Chonburi, Thailand Tel. 0-3829-7493 Fax 0-3829-7495	THB 400,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%

Businesses Related to Operations in Thailand (58 companies)

22. C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America Tel. 1-410-505-5017 Fax 1-410-381-6868	USD 5,000,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
23. Charoen Pokphand (Taiwan) Co., Ltd.	Importer and distributor of feedstuff additives and animal vaccines	Taiwan Tel. 886-2-25077071 Fax 886-2-25073438	NTD 27,152,400 (all in ordinary shares) Par Value NTD 10.00 per share	29.17%
24. CP Foods (UK) Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom Tel. 44-1299-253131 Fax 44-1299-253132	GBP 300,000 (all in ordinary shares) Par Value GBP 1.00 per share	52.00%

Remarks: ^{2/} All businesses were transferred to CPF Food Products Co.,Ltd. in 2005.
^{3/} All businesses were transferred to Charoen Pokphand Foods Plc. in 2005.

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
25. CP Foods West, Inc.	Importer and distributor of food products (Operations wound up in September 2010)	United States of America Tel. 1-410-505-5017 Fax 1-410-381-6868	USD 3,000,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
26. CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark Tel. 45-7526-1330 Fax 45-7526-1336	EUR 200,000 (all in ordinary shares) Par Value EUR 1.00 per share	52.00%
27. CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium Tel. 32-2357-5380 Fax 32-2357-5398	EUR 28,000,000 (all in ordinary shares) Par Value EUR 1.00 per share	99.99%
28. CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China Tel. 86-21-5835-8683 Fax 86-21-5835-5655	USD 4,000,000 (all in ordinary shares)	100.00%
29. CPF Tokyo Co., Ltd.	Importer and distributor of processed meat and ready meals	Japan Tel. 813-5401-2231 Fax 813-5401-2236	JPY 100,000,000 (all in ordinary shares) Par Value JPY 1,000.00 per share	99.99%
30. Fusion Abbey Park Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
31. Fusion Alfrick Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
32. Fusion Bransford Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
33. Fusion Broadway Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
34. Fusion Brothwood Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
35. Fusion Calis Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
36. Fusion Carnoustie Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
37. Fusion Charlton Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
38. Fusion Crowle Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
39. Fusion Dalaman Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
40. usion Defford Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
41. Fusion Dormington Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
42. Fusion Driscoll Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
43. Fusion Dumbleton Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
44. Fusion Elmbridge Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
45. Fusion Everton Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
46. Fusion Exning Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
47. Fusion Fethiye Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
48. Fusion Gatley Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
49. Fusion Gocek Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
50. Fusion Grimley Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
51. Fusion Guarlford Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
52. Fusion Haddenham Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
53. Fusion Hadzor Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
54. Fusion Hallow Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
55. Fusion Haverhill Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
56. Fusion Hawstead Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
57. Fusion Head Street Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
58. Fusion Kaitaia Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
59. Fusion Kroma Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
60. Fusion Krone Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
61. Fusion Lidgate Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
62. Fusion Littleworth Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
63. Fusion Madeley Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
64. Fusion Newlands Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
65. Fusion Niamh Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
66. Fusion Pershore Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
67. Fusion Priest Lane Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
68. Fusion Samui Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
69. Fusion Saxham Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
70. Fusion Soham Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
71. Fusion Stowmarket Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
72. Fusion Swaffham Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
73. Fusion Thetford Ltd	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
74. Fusion Turgay Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
75. Fusion Uzumlu Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
76. Fusion Wadborough Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
77. Fusion Wellington Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
78. Fusion Whistler Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%
79. Fusion Yamac Ltd.	Importer and distributor of processed meat and ready meals	United Kingdom	Paid-up Capital GBP 1.00	52.00%

Other Businesses in Thailand (2 companies)

80. CPF Training Center Co., Ltd.	Training center service provider	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2638-2139	THB 20,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%
81. CPF IT Center Co., Ltd.	Information technology service provider	Bangkok, Thailand Tel. 0-2625-8000 Fax 0-2638-2139	THB 250,000,000 (all in ordinary shares) Par Value THB 10.00 per share	99.99%

Overseas Business (29 companies)

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
82. A.P.P. Enterprise Inc.	Lease Real Estate	the Philippines Tel. 63-34-432-0994 Fax 63-34-432-0969	PHP 5,000 (all in ordinary shares) Par Value PHP 10.00 per share	39.60%
83. Arbor Acres (Taiwan) Co., Ltd.	Livestock farming	Taiwan Tel. 886-2-2507-7071 Fax 886-2-2507-3438	NTD 31,500,000 (all in ordinary shares) Par Value NTD 10.00 per share	16.21%
84. Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia Tel. 603-4027-1800 Fax 603-4027-1900	RM 50,000,000 (all in ordinary shares) Par Value RM 1.00 per share	100.00%
85. Bright Excel Investments Ltd.	Investment	British Virgin Islands	USD 50,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
86. C.P. Aquaculture (Beihai) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	China Tel. 86-779-208-4362 Fax 86-779-208-3950	USD 5,500,000 (all in ordinary shares)	100.00%
87. C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China Tel. 86-898-3696-3928 Fax 86-898-3696-5688	RMB 32,000,000 (all in ordinary shares)	100.00%
88. C.P. Aquaculture (Hainan) Co., Ltd.	Aquaculture farming	China Tel. 86-898-3696-3928 Fax 86-898-3696-5688	USD 3,000,000 (all in ordinary shares)	100.00%
89. C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos Tel. 856-21-453508-10 Fax 856-21-453507	USD 3,000,000 (all in ordinary shares) Par Value USD 10.00 per share	99.61%
90. C.P. Standart Gida Sanayi Ve Ticaret A.S.	Chicken integration	Turkey Tel. 212-274-8536 Fax 212-267-3343	YTL 100,000,000 (all in ordinary shares) Par Value YTL 1.00 per share	100.00%
91. Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (formerly Calibre Nature (M) Sdn. Bhd.)	Investment in aquaculture integration business	Malaysia Tel. 603-4027-1800 Fax 603-4027-1900	RM 120,000,000 (all in ordinary shares) Par Value RM 1.00 per share	100.00%
92. Charoen Pokphand Enterprise (Taiwan) Co., Ltd.	Chicken integration and livestock farming	Taiwan Tel. 886-2-25077071 Fax 886-2-25073438	NTD 3,579,000,000 (all in ordinary shares) Par Value NTD 10.00 per share	32.41%
93. Charoen Pokphand (India) Pte Ltd.	Feed production and animal farming	India Tel. 91-44-24474166 Fax 91-44-24472880	RS 630,000,000 (all in ordinary shares) Par Value RS 10.00 per share	99.99%
94. Charoen Pokphand (Taiwan) Investment Ltd.	Investment	Bermuda Islands	USD 12,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
95. Charoen Pokphand (USA), Inc.	Broiler chicken integration (Operations wound up in March 2004)	United States of America Tel. 1-410-505-5017 Fax 1-410-381-6868	USD 30,000,000 (all in ordinary shares) Par Value USD 1.00 per share	99.97%
96. Charoen Pokphand Foods (Overseas) LLC.	Animal feedmill and livestock farming	Russia Tel. 7-496-636-1874 Fax 7-496-636-1924	RB 1,400,000,000 (all in ordinary shares)	99.99%

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
97. Charoen Pokphand Foods Kenya Co., Ltd.	Animal feedmill and livestock farming	Kenya	KES 400,000,000 (all in ordinary shares) Par Value KES 100.00 per share	99.99%
98. Charoen Pokphand Foods Philippines Corporation	Shrimp hatchery	the Philippines Tel. 63-34-432-0994 Fax 63-34-432-0969	PHP 1,500,000,000 (all in ordinary shares) Par Value PHP 10.00 per share	99.99%
99. Chia Tai Lianyungang Co., Ltd.	Investment	Hong Kong Tel. 852-25201601 Fax 852-25285802	HKD 1,000,000 (all in ordinary shares) Par Value HKD 1.00 per share	32.41%
100. Chun Ta Investment Co., Ltd.	Investment	Taiwan Tel. 886-2-25077071 Fax 886-2-25073438	NTD 50,000,000 (all in ordinary shares) Par Value NTD 10.00 per share	100.00%
101. Coinaton Investments Ltd.	Investment	British Virgin Islands	USD 50,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
102. CPF Agro LLC.	Livestock Farming	Russia Tel. 7-496-636-1874 Fax 7-496-636-1924	RB 64,000,000 (all in ordinary shares)	99.99%
103. CPF Investment Ltd.	Investment	British Virgin Islands	USD 50,000,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
104. Forward Pass Ltd.	Investment	British Virgin Islands	USD 50,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
105. Lianyungang Chia Tai Agro-Industry Development Co., Ltd. (formerly Lianyungang Chia Tai Feed Co., Ltd.)	Animal feedmil	China Tel. 86-518-82340802 Fax 86-518-82342558	USD 5,400,000 (all in ordinary shares)	22.69%
106. New Splendid Holdings Ltd.	Investment	British Virgin Islands	USD 50,000 (all in ordinary shares) Par Value USD 1.00 per share	100.00%
107. Plenty Type Ltd.	Investment	Cayman Islands Tel. 852-25201601 Fax 852-25285802	USD 14,261,488 (all in ordinary shares) Par Value USD 0.231 per share	32.41%
108. Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia Tel. 603-8921-8299 Fax 603-8921-8399	RM 100,000,000 (all in ordinary shares) Par Value RM 1.00 per share	100.00%
109. Ta Chung Investment Co., Ltd.	Investment	Taiwan Tel. 886-2-25077071 Fax 886-2-25073438	NTD 100,000,000 (all in ordinary shares) Par Value NTD 10.00 per share	100.00%
110. Taiwan Sizzler Co., Ltd.	Restaurant	Taiwan Tel. 886-2-25077071 Fax 886-2-25073438	NTD 100,050,000 (all in ordinary shares) Par Value NTD 10.00 per share	32.41%

Associates

As of December 31, 2010, there were 8 companies in which CPF directly or indirectly holds more than 20.00% to 50.00% of their paid-up capital.

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
1. CP ALL Plc.	Convenience store business in Thailand, under “7-Eleven” trademark	Bangkok, Thailand Tel. 0-2677-9000 Fax 0-2631-1082	THB 4,500,000,000 (all in ordinary shares) Par Value THB 1.00 per share	28.83%
2. Nava 84 Co., Ltd.	Investment of which invested 99.98% in economic crop plantation companies in Thailand	Bangkok, Thailand	THB 1,500,000,000 (all in ordinary shares) Par Value THB 10.00 per share	25.00%
3. Ross Breeders Siam Co., Ltd.	Chicken breeding and distribution	Bangkok, Thailand Tel. 0-2988-0700 Fax 0-2988-0706	THB 70,000,000 (all in ordinary shares) Par Value THB 100.00 per share	49.99%
4. Allianz C.P. General Insurance Co., Ltd.	Insurance business	Bangkok, Thailand Tel. 0-2638-9000	THB 300,000,000 (all in ordinary shares) Par Value THB 10.00 per share	24.46%
5. Arbor Acres Thailand Co., Ltd.	Chicken breeding and distribution	Bangkok, Thailand Tel. 0-2988-0700 Fax 0-2988-0706	THB 4,000,000 (all in ordinary shares) Par Value THB 100.00 per share	49.99%
6. C.P. Aquaculture (India) Pte Ltd.	Aquatic feedmill and shrimp farming in India	India Tel. 9144-2491-7790	RS 250,000,000 (all in ordinary shares) Par Value RS 10.00 per share	31.70%
7. C.P. Vietnam Livestock Corp.	Livestock feedmill and farming in Vietnam	Vietnam Tel. 84-6183-36251	VND 1,223,928,330,000 (all in ordinary shares) Par Value VND 10,000 per share	29.18%
8. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment, of which invested 100.00% and 99.99% in 8 and 1 livestock feedmill and livestock farming companies in Malaysia	Malaysia Tel. 60-3317-63061	RM 50,000,000 (all in ordinary shares) Par Value RM 1.00 per share	49.66%

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

As of December 31, 2010, there was one company in which CPF directly and indirectly holds more than 10.00% but less than 20.00% of its paid-up capital.

Company	Type of Business	Head Office	Registered Capital and Par Value	Shareholding
Kinghill Ltd.	Investment holding, of which invested 100.00% in company that manages shopping center, “Super Brand Mall”, in China	Cayman Islands	USD 250,000,000 (all in ordinary shares) Par Value USD 1.00 per share	16.75%

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

References

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Capital Market Academy Building, North Park Project
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Laksi, Bangkok 10210, Thailand
Telephone number (662) 596-9000
Facsimile number (662) 832-4994-6

Bond Registrar and Bondholders’ Representative

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

Bond Registrar
Securities Services Department Bangkok Bank Plc.
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333 Silom Road, Bangrak, Bangkok 10500, Thailand
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Facsimile number (662) 626-4545-6

Bondholders’ Representative
Treasury Operations and Investor Services Department
CIMB Thai Bank Plc.
44 Lang Suan Road, Patumwan, Bangkok 10330, Thailand
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Facsimile number (662) 626-7542-3

- Unsecured Debentures of Charoen Pokphand Foods Plc. #1/2007 Series 2 due 2012

Bond Registrar
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Siam Commercial Bank Plc.Chidlom Building 2,
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Agent and Securities Services Dept.
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Telephone number (662) 299-1111
Facsimile number (662) 299-1278

- 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
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- Unsecured Debentures of Charoen Pokphand Foods Plc. #2/2009 due 2015, #1/2010 due 2015

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- Unsecured Debentures of Charoen Pokphand Foods Plc. #2/2010 Series 1 due 2014, #2/2010 Series 2 due 2017

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Registrar American Depositary Receipts

The Bank of New York Mellon

BNY Mellon Shareowner Services
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Telephone number 1-201-680-6825
Website: www.bnymellon.com\shareowner
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C.P.A. (Thailand) Registration No. 4068
- Mr. Vairoj Jindamaneepitak
C.P.A. (Thailand) Registration No. 3565
- Ms. Bongkot Amsageam
C.P.A. (Thailand) Registration No. 3684

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