

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved for issue by the executive directors on 11 May 2016.

1 General information

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

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

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

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

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

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

Details of the Company’s subsidiaries as at 31 March 2016 and 31 December 2015 only those with change in ownership interest and were newly incorporated during the three-month period ended 31 March 2016 were as follows:

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|--|---|--------------------------|------------------------|------------------|
| | | | 31 March 2016 | 31 December 2015 |
| <i>Subsidiary with change in ownership interest</i> | | | | |
| <i>Indirect subsidiaries</i> | | | | |
| 1) CPF Trading LLC. (a subsidiary of Charoen Pokphand Foods (Overseas LLC.)) | Importer and distributor of meat products | Russia | 99.99 | 59.99 |

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| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|--|---|--------------------------------|------------------------|------------------|
| | | | 31 March 2016 | 31 December 2015 |
| <i>Newly incorporated subsidiaries</i> | | | | |
| <i>Indirect subsidiaries</i> | | | | |
| 1) Beijing CP Consultation Services Co., Ltd. | Provision of consulting service on economic and trade | The People's Republic of China | 50.43 | - |
| 2) CP Group (Inner Mongolia) Nutrition Technology Flocks and Herds Service Co., Ltd. | Production and sale of animal feed | The People's Republic of China | 50.43 | - |
| 3) Nanning C.P. Food Co., Ltd. (1-3 are subsidiaries of C.P. Pokphand Co., Ltd.) | Production and sale of ready meal | The People's Republic of China | 50.43 | - |

During the three-month period ended 31 March 2016, the Group did not dispose any investment in subsidiaries.

2 Basis of preparation of the interim financial statements

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2015) *Interim Financial Reporting*; including related guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except for the adaptation of all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016 and are relevant to the Group's operations. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

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2.2 Functional and presentation currency

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

2.3 Use of judgements and estimates

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

In preparing these interim financial statements, the judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

Measurement of fair values

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

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

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

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

Further information about the assumptions made in measuring fair values of available-for-sale investments, which is financial instrument carried at fair value, is included in note 5 to the interim financial statements.

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3 Related party transactions

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions or where the Group and parties are subject to common control or common significant influence.

The significant influence entity of the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 45.40 % of the Company's voting rights as of the latest closing date of shareholder register book on 15 March 2016.

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

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

3.1 Significant transactions with related parties for the three-month periods ended 31 March 2016 and 2015

| | Consolidated | | <i>(Unit: Million Baht)</i> | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | Separate | financial statements |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| (a) Revenues | | | | |
| Subsidiaries | | | | |
| Dividend income | - | - | 2,025 | 2,925 |
| Interest income | - | - | 995 | 713 |
| Sale of goods | - | - | 512 | 698 |
| Gain on sale of fixed assets | - | - | 1 | - |
| Rental, service and other income | - | - | 3 | - |
| Associates, joint ventures and related companies | | | | |
| Sale of goods | 9,000 | 7,867 | 156 | 58 |
| Rental, service and other income | 55 | 74 | 1 | 1 |
| Software application income | 6 | 5 | - | - |

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| | Consolidated | | <i>(Unit: Million Baht)</i> | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | Separate | Separate |
| | <u>2016</u> | <u>2015</u> | <u>financial statements</u> | <u>financial statements</u> |
| | | | 2016 | 2015 |
| (a) Revenues (continue) | | | | |
| Associates, joint ventures and related companies | | | | |
| Training and seminar income | 3 | 4 | - | - |
| Interest income | 2 | - | - | - |
| Gain on sale of land | - | 705 | - | - |
| (b) Expenses and others | | | | |
| Significant influence entity | | | | |
| Purchase of raw materials and goods | 2,249 | 1,931 | 533 | 345 |
| Technical service fees | 425 | 351 | 10 | 9 |
| Trademark license fees | 21 | 21 | 1 | 2 |
| Subsidiaries | | | | |
| Purchase of raw materials and goods | - | - | 1,340 | 704 |
| Software application fees | - | - | 45 | 51 |
| Rental and service fees | - | - | 16 | 15 |
| Training and seminar fees | - | - | 4 | 4 |
| Other expenses | - | - | 11 | 9 |
| Associates, joint ventures entities and related companies | | | | |
| Purchase of raw materials and goods | 11,584 | 12,878 | 140 | 115 |
| Rental and service fees | 409 | 361 | 93 | 113 |
| Construction costs of buildings, structures and others | 296 | 410 | 29 | 55 |
| Insurance premium | 56 | 69 | 20 | 28 |
| Purchase of equipment and others | 28 | 32 | 4 | 7 |
| Trademark license fees | 8 | 9 | - | - |
| Software application fees | 7 | 7 | - | - |
| Interest expense | 2 | 3 | - | - |
| Other expenses | 219 | 261 | 12 | 12 |

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3.2 Balances with related parties as at 31 March 2016 and 31 December 2015 were as follows:

3.2.1 Accounts receivable - trade and others

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|---------------------|--|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Significant influence entity | 1 | 1 | - | - |
| Subsidiaries | - | - | 1,444 | 1,713 |
| Associates and joint ventures | 2,406 | 2,719 | 21 | 32 |
| Related companies | 4,740 | 4,618 | 158 | 107 |
| Total | 7,147 | 7,338 | 1,623 | 1,852 |

3.2.2 Short-term loans

(Unit: Million Baht)

| | Separate financial statements | | |
|--------------|--------------------------------------|---------------------|--------------------|
| | Outstanding balance | | |
| | 31 March 2016 | 31 December 2015 | Average balance |
| Subsidiaries | 49,166 | 33,936 | 45,298 |
| Total | 49,166 | 33,936 | 45,298 |

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

3.2.3 Accrued dividend income

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------|--|---------------------|--|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Subsidiaries | - | - | 2,025 | 5,927 |
| Associates | 185 | 189 | - | - |
| Total | 185 | 189 | 2,025 | 5,927 |

3.2.4 Accrued interest income

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------|--|---------------------|--|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Subsidiaries | - | - | 236 | 97 |
| Total | - | - | 236 | 97 |

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3.2.5 Long-term loans

(Unit: Million Baht)

| | Separate financial statements | | |
|----------------------|--------------------------------------|---------------------|--------------------|
| | Outstanding balance | | |
| | 31 March 2016 | 31 December 2015 | Average Balance |
| Subsidiaries | 7,307 | 23,367 | 11,668 |
| Less current portion | (375) | (387) | |
| Net | 6,932 | 22,980 | |

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

3.2.6 Accounts payable - trade and others

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|---------------------|--|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| | Significant influence entity | 566 | 758 | 158 |
| Subsidiaries | - | - | 315 | 193 |
| Associates and joint ventures | 304 | 309 | - | - |
| Related companies | 2,020 | 2,470 | 86 | 87 |
| Total | 2,890 | 3,537 | 559 | 322 |

3.2.7 Short-term borrowings

(Unit: Million Baht)

| | Consolidated financial statements | | |
|----------------|--|---------------------|--------------------|
| | Outstanding balance | | |
| | 31 March 2016 | 31 December 2015 | Average Balance |
| Joint ventures | 268 | 378 | 299 |
| Total | 268 | 378 | 299 |

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

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3.3 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 March 2016 and 31 December 2015 were as follows:

| | Consolidated financial statements | | | | | |
|---|--|------------------------|-------------------------------------|------------------------|---------------------------------|------------------------|
| | <i>(Unit: Million Baht)</i> | | | | | |
| | Balance with fixed interest rate | | Balance with float interest rate | | Average interest rate (%) | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Short-term borrowings from joint ventures | 268 | 378 | - | - | 2.00 | 2.00 |
| | Separate financial statements | | | | | |
| | <i>(Unit: Million Baht)</i> | | | | | |
| | Balance with fixed interest rate | | Balance with float interest rate | | Average interest rate (%) | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Short-term loans to subsidiaries | 17,292 | 3,669 | 31,874 | 30,267 | 7.39 | 7.39 |
| Long-term loans to subsidiaries | 7,307 | 23,367 | - | - | 5.18 | 5.40 |

3.4 Key management personnel compensations

Key management personnel compensations consist of:

| | <i>(Unit: Million Baht)</i> | | | |
|---|--|------------|--|-----------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2016 | 2015 | 2016 | 2015 |
| <i>For the three-month period ended 31 March</i> | | | | |
| Short-term employee benefits | 111 | 107 | 50 | 49 |
| Post-employment under defined benefit plans | 3 | 3 | 1 | 1 |
| Total | 114 | 110 | 51 | 50 |
| <i>As at 31 March</i> | | | | |
| Employee benefit obligations | 240 | 232 | 79 | 79 |
| Total | 240 | 232 | 79 | 79 |

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3.5 Commitments

As at 31 March 2016 and 31 December 2015 the Group had commitments with related parties as follows:

3.5.1 Capital commitments

| | <i>(Unit: Million Baht)</i> | | | |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| <i>Contracted but not provided for</i> Mainly represents contracts for construction of buildings and structures, purchase of machinery and others | 418 | 431 | 107 | 144 |

3.5.2 Commitments under operating lease agreements

| | <i>(Unit: Million Baht)</i> | | | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Within one year | 879 | 926 | 261 | 250 |
| Over one year but within five years | 1,499 | 1,539 | 259 | 197 |
| Over five years | 348 | 374 | - | - |
| Total | 2,726 | 2,839 | 520 | 447 |

The Company and certain subsidiaries had lease agreements with related parties covering office premises (including related facilities service agreements), land, farms and vehicles for periods of 1 to 10 years, expiring during 2016 to 2024.

3.6 Significant agreements

As at 31 March 2016 the Group had the following significant agreements with related parties:

3.6.1 Technical service agreements

The Company and certain subsidiaries have technical service agreements with a significant influence entity, Charoen Pokphand Group Company Limited (“CPG”). Under the terms of the agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feeds for the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity dependent upon the types of feed as stipulated in the agreements, to CPG. The minimum service fee ranges from Baht 0.1 million to Baht 1.3 million per month. These agreements are effective starting from 1 January 2016 to 31 December 2016.


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

3.6.2 Trademark agreements

A subsidiary (CPF Trading Company Limited) has trademark agreement with CPG for the right to use  trademark. In this regard, the subsidiary is committed to pay the trademark license fees to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreement. This agreement is effective starting from 1 July 2014 to 30 June 2017.

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use  trademark. In this regard, the Company and subsidiaries are committed to pay the trademark license fees to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreements. These agreements are effective starting from 1 January 2016 to 31 December 2016.

A subsidiary has a trademark agreement with a related company, Star Marketing Co., Ltd. (“STAR”), for the right to use STAR trademark. In this regard, the subsidiary is committed to pay the trademark license fee to STAR, which is calculated from the sale value under the trademark at the rates as stipulated in the agreement. This agreement is effective starting from 1 January 2014 to 31 December 2018.

3.6.3 Application system service agreement

A subsidiary has an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”). Under the terms of the agreement, Freewill agrees to provide the subsidiary the application system service. In this regard, the subsidiary is committed to pay the application system service fee to Freewill at the agreed rate stipulated in the agreement. This agreement is effective starting from 1 January 2015 to 31 December 2019.

3.6.4 Service agreements for import and export transactions

The Company and certain subsidiaries have service agreements with a related company, C.P. Intertrade Co., Ltd. (“CPI”). Under the terms of the agreements, CPI agrees to provide documentation services and others relating to import and export transactions of the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the service fees to CPI at the agreed rate stipulated in the agreements. These agreements are in effect since 1 July 2015 to 30 June 2017.

3.6.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd., has information technology service and software application agreements with local and foreign related companies. The term and the service fees are stipulated in the agreements. The agreements may be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

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4 Accounts receivable - trade and others

(Unit: Million Baht)

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|---------------------|--|---------------------|
| | | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Related parties | 3 | 7,147 | 7,338 | 1,623 | 1,852 |
| Other parties | | 17,880 | 19,552 | 2,380 | 2,310 |
| Total | | 25,027 | 26,890 | 4,003 | 4,162 |
| Less allowance for doubtful accounts | | (794) | (734) | (48) | (49) |
| Net | | 24,233 | 26,156 | 3,955 | 4,113 |
| Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the three-month period ended 31 March | | 88 | 25 | (1) | - |

The outstanding balances of the problem accounts receivable - trade and others that the Company has considered and already provided the allowance for doubtful accounts as at 31 March 2016 and 31 December 2015 classified by aging were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------|--|---------------------|--|------------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Periods over credit terms: | | | | |
| Over 3 months to 6 months | 254 | 194 | - | - |
| Over 6 months to 12 months | 28 | 20 | - | - |
| Over 12 months | 512 | 520 | 48 | 49 |
| Total | 794 | 734 | 48 | 49 |

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5 Available-for-sale investments

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

| | <i>(Unit: Million Baht)</i> | |
|--|-----------------------------|---------------------|
| | Consolidated | |
| | financial statements | |
| | <u>2016</u> | <u>2015</u> |
| At 1 January | 3,659 | 3,924 |
| Acquisition/additional investment | - | 4,923 |
| Disposal | - | (399) |
| Change in fair value transferred to profit or loss from disposal | - | (1,018) |
| Changes in fair value | 524 | (8) |
| Currency translation differences | (65) | 21 |
| At 31 March | <u>4,118</u> | <u>7,443</u> |
| At 31 December | | <u>3,659</u> |

Details of available-for-sale investments

Available-for-sale investments as at 31 March 2016 and 31 December 2015 were as follows:

| | Ownership interest (both direct and indirect) | | Consolidated | | Separate | |
|--|---|-------------|-----------------------------|---------------------|-----------------------------|-----------------|
| | (%) | | financial statements | | financial statements | |
| | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> |
| | March | December | March | December | March | December |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Marketable securities | | | | | | |
| - at fair value | | | | | | |
| True Corporation Public Company Limited - at cost | 2.21 | 2.21 | 6,753 | 6,818 | - | - |
| Changes in fair value | | | (2,635) | (3,159) | - | - |
| Total | | | <u>4,118</u> | <u>3,659</u> | <u>-</u> | <u>-</u> |

During the three-month period ended 31 March 2015, a subsidiary sold the available-for-sale investments with the original cost of Baht 399 million with a gain on sale of investments amounting to Baht 1,018 million, which was presented in the consolidated statement of income.

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Carrying amounts and fair values of financial instruments carried at fair value

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position are as follows.

(Unit: Million Baht)

| | Carrying amount | Consolidated financial statements | | | |
|---|--------------------|-----------------------------------|---------|---------|-------|
| | | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| 31 March 2016 | | | | | |
| <i>Non-current</i> | | | | | |
| Equity securities available for sale | 4,118 | 4,118 | - | - | 4,118 |

6 Investments in subsidiaries

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--------------------------------------|----------|----------------------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| | At 1 January | - | - | 86,938 |
| Additional investments | - | - | 2,553 | - |
| At 31 March | - | - | 89,491 | 68,443 |
| At 31 December | | - | | 86,938 |

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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 March 2016 and 31 December 2015, and dividend income for the three-month periods ended 31 March 2016 and 2015 were as follows:

(Unit: Million Baht)

| | Separate financial statements | | | | | | | | | | | |
|--|--------------------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------------|------------------------|---------------------|------------------------|---|---------------------|
| | Ownership interest (%) | | Paid-up capital | | Cost method | | Accumulated impairment | | At cost - net | | Dividend income for three months ended | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 March 2015 |
| Marketable security | | | | | | | | | | | | |
| C.P. Pokphand Co., Ltd. | 4.98 | 4.98 | 7,973 | 7,973 | 4,691 | 4,691 | - | - | 4,691 | 4,691 | - | - |
| Chia Tai Enterprises International Limited | 4.98 | 4.98 | 840 | 840 | 500 | 500 | - | - | 500 | 500 | - | - |
| Total | | | | | 5,191 | 5,191 | - | - | 5,191 | 5,191 | - | - |
| Non-marketable securities | | | | | | | | | | | | |
| Bangkok Produce Merchandising Public Company Limited | 99.44 | 99.44 | 600 | 600 | 1,230 | 1,230 | - | - | 1,230 | 1,230 | - | - |
| CPF (Thailand) Public Company Limited | 99.98 | 99.98 | 7,008 | 7,008 | 11,883 | 11,883 | - | - | 11,883 | 11,883 | - | - |
| CPF Training Center Co., Ltd. | 99.99 | 99.99 | 20 | 20 | 20 | 20 | - | - | 20 | 20 | - | - |
| CPF IT Center Co., Ltd. | 99.99 | 99.99 | 250 | 250 | 250 | 250 | - | - | 250 | 250 | - | - |
| C.P. Merchandising Co., Ltd. | 99.99 | 99.99 | 9,000 | 9,000 | 9,000 | 9,000 | - | - | 9,000 | 9,000 | 2,025 | 2,925 |
| Chester Food Co., Ltd. | 99.99 | 99.99 | 80 | 80 | 450 | 450 | - | - | 450 | 450 | - | - |
| CPF Food Research & Development Center Co., Ltd. | 99.99 | 99.99 | 125 | 125 | 125 | 125 | - | - | 125 | 125 | - | - |
| C.P. Aquaculture (Beihai) Co., Ltd. | 100.00 | 100.00 | 602 | 602 | 602 | 602 | - | - | 602 | 602 | - | - |

**Charoen Pokphand Foods Public Company Limited
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Details of investments in subsidiaries and dividend income (continued)

(Unit: Million Baht)

| | Separate financial statements | | | | | | | | | | | |
|--|-------------------------------|---------------|-----------------|---------------|---------------|---------------|------------------------|---------------|---------------|---------------|--|--------------|
| | Ownership interest (%) | | Paid-up capital | | Cost method | | Accumulated impairment | | At cost - net | | Dividend income for three months ended | |
| | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | March 2015 |
| C.P. Aquaculture (Dongfang) Co., Ltd. | 100.00 | 100.00 | 755 | 755 | 755 | 755 | - | - | 755 | 755 | - | - |
| C.P. Aquaculture (Hainan) Co., Ltd. | 100.00 | 100.00 | 126 | 126 | 126 | 126 | - | - | 126 | 126 | - | - |
| C.P. Standart Gida Sanayi ve Ticaret A.S. | 5.63 | 8.57 | 6,452 | 6,452 | 618 | 618 | - | - | 618 | 618 | - | - |
| Charoen Pokphand Foods Kenya Co., Ltd. | 99.99 | 99.99 | 8 | 8 | 8 | 8 | - | - | 8 | 8 | - | - |
| Charoen Pokphand Foods (Overseas) LLC. | 10.21 | 10.21 | 2,819 | 2,819 | 1,394 | 1,394 | (938) | (938) | 456 | 456 | - | - |
| Charoen Pokphand Foods Philippines Corporation | 34.09 | 34.09 | 3,196 | 3,196 | 1,055 | 1,055 | - | - | 1,055 | 1,055 | - | - |
| CPF Investment Limited | 100.00 | 100.00 | 44,663 | 42,123 | 44,663 | 42,123 | - | - | 44,663 | 42,123 | - | - |
| CPF Tanzania Limited | 58.25 | 58.25 | 224 | 224 | 129 | 129 | - | - | 129 | 129 | - | - |
| C.P. Foods Holdings Limited | 100.00 | 100.00 | 1 | 1 | 1 | 1 | - | - | 1 | 1 | - | - |
| C.P. Foods International Limited | 100.00 | 100.00 | 1 | 1 | 1 | 1 | - | - | 1 | 1 | - | - |
| CPF Netherlands B.V. | 99.99 | 99.99 | 12,541 | 12,541 | 12,928 | 12,915 | - | - | 12,928 | 12,915 | - | - |
| Total | | | | | 85,238 | 82,685 | (938) | (938) | 84,300 | 81,747 | 2,025 | 2,925 |
| Grand Total | | | | | 90,429 | 87,876 | (938) | (938) | 89,491 | 86,938 | 2,025 | 2,925 |

**Charoen Pokphand Foods Public Company Limited
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Notes to the interim financial statements
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7 Investments in associates

Movements of investments in associates during the three-month periods ended 31 March 2016 and 2015 were as follows:

| | Consolidated | | <i>(Unit: Million Baht)</i> | |
|-------------------------------------|-----------------------------|----------------------|-----------------------------|-------------------|
| | financial statements | | Separate | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| At 1 January | 65,312 | 52,055 | 335 | 335 |
| Share of profit of associates | 1,463 | 1,223 | - | - |
| Acquisitions/additional investments | 2,788 | 1,190 | - | - |
| Disposals | (797) | (1,029) | - | - |
| Dividend income from associate | (4) | (3) | - | - |
| Currency translation differences | 1 | (126) | - | - |
| Others | - | (5) | - | - |
| At 31 March | <u>68,763</u> | <u>53,305</u> | <u>335</u> | <u>335</u> |
| At 31 December | | <u>65,312</u> | | <u>335</u> |

The Group accounts for the investment in ordinary shares of an associate (CP ALL Public Company Limited), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 March 2016 the fair value of this investment was Baht 142,335 million (31 December 2015: Baht 121,652 million).

During the three-month period ended 31 March 2016, a subsidiary sold the investments in an associate with the carrying amount of Baht 797 million with a gain on sale of investments amounting to Baht 903 million, which was presented in the consolidated statement of income (2015: Baht 1,029 million and Baht 1,488 million respectively).

**Charoen Pokphand Foods Public Company Limited
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Details of investments in associates and dividend income

Investments in associates as at 31 March 2016 and 31 December 2015, and dividend income for the three-month periods ended 31 March 2016 and 2015 were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | | | | | | | | |
|--|--|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------------|------------------------|---------------------|------------------------|---|---------------------|
| | Ownership interest (both direct and indirect) | | Paid-up capital | | Cost method | | Equity method | | Accumulated impairment | | At equity - net | | Dividend income for three months ended | |
| | (<i>%</i>) | | | | | | | | | | | | | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 March 2015 |
| Marketable security | | | | | | | | | | | | | | |
| CP ALL Public Company Limited | 34.82 | 34.50 | 8,983 | 8,983 | 55,422 | 53,334 | 64,214 | 60,863 | - | - | 64,214 | 60,863 | - | - |
| Total | | | | | 55,422 | 53,334 | 64,214 | 60,863 | - | - | 64,214 | 60,863 | - | - |
| Non-marketable securities | | | | | | | | | | | | | | |
| Nava 84 Co., Ltd. | 25.00 | 25.00 | 1,203 | 1,203 | 159 | 159 | 162 | 162 | - | - | 162 | 162 | - | - |
| Ross Breeders Siam Co., Ltd. | 49.99 | 49.99 | 70 | 70 | 35 | 35 | 84 | 86 | - | - | 84 | 86 | - | - |
| Arbor Acres Thailand Co., Ltd. | 49.98 | 49.98 | 4 | 4 | 2 | 2 | 195 | 183 | - | - | 195 | 183 | - | - |
| BHJ Kalino Food AB (“BHJ”)* | 15.08 | 15.08 | 5 | 5 | 24 | 24 | 23 | 29 | - | - | 23 | 29 | 4 | 3 |
| C.P. Aquaculture (India) Private Limited | 31.70 | 31.70 | 192 | 192 | 176 | 176 | 707 | 743 | - | - | 707 | 743 | - | - |

**Charoen Pokphand Foods Public Company Limited
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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | | | | | | | | |
|--|--|------------------|-----------------|------------------|---------------|------------------|---------------|------------------|---------------------------|------------------|-----------------|------------------|---|---------------|
| | Ownership interest (both direct and indirect) | | Paid-up capital | | Cost method | | Equity method | | Accumulated impairment | | At equity - net | | Dividend income for three months ended | |
| | (<i>%</i>) | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | March 2015 |
| Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. | 49.75 | 49.75 | 353 | 353 | 176 | 176 | 1,484 | 1,389 | - | - | 1,484 | 1,389 | - | - |
| Conti Chia Tai International Limited | 25.21 | 25.21 | 767 | 767 | 1,052 | 1,052 | 1,488 | 1,462 | - | - | 1,488 | 1,462 | - | - |
| Zhan Jiang Deni Carburetor Co., Ltd. ** | 14.12 | 14.12 | 581 | 581 | 424 | 424 | 406 | 395 | - | - | 406 | 395 | - | - |
| Total | | | | | 2,048 | 2,048 | 4,549 | 4,449 | - | - | 4,549 | 4,449 | 4 | 3 |
| Grand total | | | | | 57,470 | 55,382 | 68,763 | 65,312 | - | - | 68,763 | 65,312 | 4 | 3 |

* BHJ is an associate in which 29.00% of the total issued and paid-up shares were held by CPF Denmark A/S (“CPF DM”), a 52.00% indirectly owned subsidiary. In this regard, the Group accounted for its investment in BHJ using the equity method based on 15.08% shareholding in the consolidated financial statements.

** Zhan Jiang Deni Carburetor Co., Ltd. is an associate in which 28.00% of the total issued and paid-up shares were held by Chia Tai Enterprises International Limited (“CTEI”), a 50.43% directly and indirectly owned subsidiary. In this regard, the Group accounted for its investment in Zhan Jiang Deni Carburetor Co., Ltd. using the equity method based on 14.12% shareholding in the consolidated financial statements.

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

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Details of investments in associates and dividend income (continued)

(Unit: Million Baht)

| | Separate financial statements | | | | | | | | | | | |
|---|--------------------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------------|------------------------|---------------------|------------------------|---|---------------------|
| | Ownership interest (%) | | Paid-up capital | | Cost method | | Accumulated impairment | | At cost - net | | Dividend income for three months ended | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 March 2015 |
| <i>Non-marketable securities</i> | | | | | | | | | | | | |
| Nava 84 Co., Ltd. | 25.00 | 25.00 | 1,203 | 1,203 | 159 | 159 | - | - | 159 | 159 | - | - |
| C.P. Aquaculture (India) Private Limited | 31.70 | 31.70 | 192 | 192 | 176 | 176 | - | - | 176 | 176 | - | - |
| Total | | | | | 335 | 335 | - | - | 335 | 335 | - | - |

**Charoen Pokphand Foods Public Company Limited
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For the three-month period ended 31 March 2016 (Unaudited)

8 Investments in joint ventures

Movements of investments in joint ventures during the three-month periods ended 31 March 2016 and 2015 were as follows:

| | Consolidated | | <i>(Unit: Million Baht)</i> Separate | |
|------------------------------------|-----------------------------|-----------------------------|--|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| At 1 January | 4,419 | 4,194 | - | - |
| Share of profit of joint ventures | 90 | 44 | - | - |
| Dividend income from joint venture | (33) | - | - | - |
| Currency translation differences | (30) | (35) | - | - |
| At 31 March | <u>4,446</u> | <u>4,203</u> | <u>-</u> | <u>-</u> |
| At 31 December | | <u>4,419</u> | | <u>-</u> |

**Charoen Pokphand Foods Public Company Limited
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Details of investments in joint ventures

Investments in joint ventures as at 31 March 2016 and 31 December 2015 and dividend income for the three-month periods ended 31 March 2016 and 2015 were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | | | | | | | | |
|---|--|------------------|-----------------|------------------|---------------|------------------|---------------|------------------|---------------------------|------------------|-----------------|------------------|---|---------------|
| | Ownership interest (both direct and indirect) | | Paid-up capital | | Cost method | | Equity method | | Accumulated impairment | | At equity - net | | Dividend income for three months ended | |
| | (%) | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | December 2015 | March 2016 | March 2015 |
| Non-marketable securities | | | | | | | | | | | | | | |
| CP-Meiji Co., Ltd. ("CP-Meiji")* | 59.99 | 59.99 | 500 | 500 | 1,200 | 1,200 | 1,455 | 1,402 | - | - | 1,455 | 1,402 | - | - |
| Beijing Chia Tai Feedmill Co., Ltd. | 25.21 | 25.21 | 157 | 157 | 128 | 128 | 162 | 158 | - | - | 162 | 158 | - | - |
| Handan Chia Tai Feed Co., Ltd. | 25.21 | 25.21 | 56 | 56 | - | - | 20 | 20 | - | - | 20 | 20 | - | - |
| Jilin Chia Tai Enterprise Co., Ltd. | 25.21 | 25.21 | 261 | 261 | 211 | 211 | 199 | 233 | - | - | 199 | 233 | 33 | - |
| Henan East Chia Tai Co., Ltd. | 25.21 | 25.21 | 170 | 170 | 225 | 225 | 219 | 209 | - | - | 219 | 209 | - | - |
| ECI Metro Investment Co., Ltd. | 25.21 | 25.21 | 378 | 378 | 1,296 | 1,296 | 2,391 | 2,397 | - | - | 2,391 | 2,397 | - | - |
| Total | | | | | 3,060 | 3,060 | 4,446 | 4,419 | - | - | 4,446 | 4,419 | 33 | - |

* CP-Meiji is a joint venture because the articles of association of the joint venture specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets.

The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

**Charoen Pokphand Foods Public Company Limited
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9 Investments in related companies

Movements during the three-month periods ended 31 March 2016 and 2015 were as follows:

| | Consolidated | | <i>(Unit: Million Baht)</i> Separate | |
|----------------------------------|-----------------------------|---------------------|--|-------------------|
| | financial statements | | financial statements | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| At 1 January | 1,608 | 1,549 | 678 | 678 |
| Currency translation differences | (17) | (7) | - | - |
| At 31 March | <u>1,591</u> | <u>1,542</u> | <u>678</u> | <u>678</u> |
| At 31 December | | <u>1,608</u> | | <u>678</u> |

Details of investments in related companies

Investments in related companies as at 31 March 2016 and 31 December 2015 were as follows:

| | Ownership interest (both direct and indirect) | | Consolidated | | Separate | |
|-------------------------------------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <i>(%)</i> | | financial statements | | financial statements | |
| | <u>31 March 2016</u> | <u>31 December 2015</u> | <u>31 March 2016</u> | <u>31 December 2015</u> | <u>31 March 2016</u> | <u>31 December 2015</u> |
| <i>Non-marketable securities</i> | | | | | | |
| General investments | | | | | | |
| - at cost | | | | | | |
| CPPC Public Company Limited | 6.58 | 6.58 | 110 | 110 | 55 | 55 |
| C.P. Land Public Company Limited | 6.49 | 6.49 | 276 | 276 | 95 | 95 |
| Chia Tai (Jilin) Co., Ltd. | 10.00 | 10.00 | 5 | 5 | - | - |
| Kinghill Limited | 13.96 | 13.96 | 1,200 | 1,217 | 528 | 528 |
| Total | | | <u>1,591</u> | <u>1,608</u> | <u>678</u> | <u>678</u> |

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10 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2016 and 2015 were as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | | |
|--|---|---|---|---|
| | 2016 | | 2015 | |
| | Acquisitions and transfers in - at cost/ net book value | Disposals and transfers out - net book value | Acquisitions and transfers in - at cost/ net book value | Disposals and transfers out - net book value |
| Land | - | - | 45 | 495 |
| Buildings and building improvements and utilities system | 2,486 | 45 | 2,995 | 28 |
| Machinery and equipment | 2,772 | 7 | 1,770 | 6 |
| Other | 210 | 11 | 255 | 16 |
| Assets under construction and installation | 3,924 | 4,823 | 4,672 | 4,471 |
| Total | 9,392 | 4,886 | 9,737 | 5,016 |

(Unit: Million Baht)

| | Separate financial statements | | | |
|--|---|---|---|---|
| | 2016 | | 2015 | |
| | Acquisitions and transfers in - at cost/ net book value | Disposals and transfers out - net book value | Acquisitions and transfers in - at cost/ net book value | Disposals and transfers out - net book value |
| Buildings and building improvements and utilities system | 289 | 33 | 191 | - |
| Machinery and equipment | 96 | 5 | 321 | - |
| Other | 5 | - | 20 | - |
| Assets under construction and installation | 158 | 367 | 277 | 467 |
| Total | 548 | 405 | 809 | 467 |

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11 Accounts payable - trade and others

(Unit: Million Baht)

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|-----------------|-------------|--|---------------------|--|---------------------|
| | | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Related parties | 3 | 2,890 | 3,537 | 559 | 322 |
| Other parties | | 20,018 | 24,485 | 793 | 1,199 |
| Total | | 22,908 | 28,022 | 1,352 | 1,521 |

12 Interest-bearing liabilities

As at 31 March 2016, CPF (Thailand) Public Company Limited (“CPFTH”), a 99.98% owned subsidiary, issued and offered debentures and short-term bills of exchange. Details were as follows:

12.1 On 20 January 2016 CPFTH issued unsubordinated and unsecured debentures No. 1/2016 in the registered name and without debenture holder representative. The debentures are divided into:

- The first series of Baht 7,450 million with a term of 5 years, bearing interest at the fixed rate of 3.10% per annum.
- The second series of Baht 2,150 million with a term of 7 years, bearing interest at the fixed rate of 3.47% per annum.
- The third series of Baht 3,350 million with a term of 10 years, bearing interest at the fixed rate of 3.87% per annum.
- The fourth series of Baht 3,050 million with a term of 12 years, bearing interest at the fixed rate of 4.15% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 14 December 2015 and were registered with the Thai Bond Market Association on 20 January 2016.

The debentures have been reviewed with a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 31 March 2016.

12.2 On 17 March 2016, CPFTH issued short-term bills of exchange in registered name that have maturities of less than 270 days with total face value of Baht 3,800 million.

In addition, on 15 January 2016, C.P. Foods Holdings Limited (“CPFH”) a 100.00% owned subsidiary of the Company redeemed the Exchangeable Bonds (“EBs”) with an aggregate principal amount of USD 274.8 million or approximately Baht 9,991.7 million as the EB holders exercised their put options pursuant to the terms and conditions of the EBs (“terms and conditions”). For the remaining principal amount of USD 15.6 million or approximately Baht 567.2 million of the EBs, CPFH requested to exercise the right to redeem the remaining EBs pursuant to the terms and conditions on 18 January 2016 and finally exercised the right to redeem and canceled all EBs on 3 March 2016. Therefore, the EBs were ceased from listing in Singapore Exchange Securities Trading Limited.

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Notes to the interim financial statements
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13 Treasury shares

| | Consolidated financial statements | | <i>(Unit: Million Baht)</i> Separate financial statements | |
|---|--|---------------------|---|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| Ordinary shares of the Company held by subsidiaries | 1,135 | 1,135 | - | - |
| | 1,135 | 1,135 | - | - |

For the treasury shares of the Company, the Board of Directors' meeting of the Company held on 25 August 2015, resolved to approve the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 5.17% of the total number of paid-up share capital of the Company. The Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 10 September 2015 to 9 March 2016. However, during such period, the Company did not buy back any share and the Program had ended on 9 March 2016.

14 Segment information

Segment information is based on the Group's management and internal financial reporting structure which is regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments.

Information about reportable segments

The Group comprises the following main segments:

- Segment 1 : Livestock business
- Segment 2 : Aquaculture business

Revenue and results, based on reportable segments financial information of the Group for the three-month periods ended 31 March 2016 and 2015 were as follows:

| | <i>(Unit: Million Baht)</i> Consolidated financial statements | |
|------------------------|---|---------------|
| | 2016 | 2015 |
| <i>Segment revenue</i> | | |
| Livestock business | 92,322 | 84,061 |
| Aquaculture business | 13,191 | 12,163 |
| Total | 105,513 | 96,224 |

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(Unit: Million Baht)
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| | 2016 | 2015 |
|--|--------------|--------------|
| <i>Segment results</i> | | |
| Livestock business | 7,360 | 4,184 |
| Aquaculture business | 54 | (570) |
| Total allocated segment results | 7,414 | 3,614 |
| Unallocated segment results | (2,259) | 362 |
| Profit for the period | 5,155 | 3,976 |

Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group comprises the following main information about geographical areas:

- Area 1 : Thailand
- Area 2 : Asia
- Area 3 : Europe
- Area 4 : America
- Area 5 : Other

Details of financial information of the geographical area of the Group as at 31 March 2016 and 2015 and for the three-month periods then ended were as follows:

(Unit: Million Baht)
**Consolidated financial
statements**

| | 2016 | 2015 |
|---|----------------|----------------|
| <i>Revenue from external customers</i> | | |
| Thailand | 35,965 | 33,883 |
| Asia | 58,223 | 52,997 |
| Europe | 10,210 | 7,884 |
| America | 899 | 1,251 |
| Others | 216 | 209 |
| Total | 105,513 | 96,224 |
| <i>Property, plant and equipment, other intangible assets (excluded goodwill) and central assets as at 31 March</i> | | |
| Thailand | 57,411 | 55,354 |
| Asia | 81,595 | 67,086 |
| Europe | 16,207 | 7,591 |
| America | 37 | 34 |
| Others | 40 | 52 |
| Total | 155,290 | 130,117 |

**Charoen Pokphand Foods Public Company Limited
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15 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares held by third parties outstanding during the three-month periods then ended as follows:

For the three-month periods ended 31 March 2016 and 2015

(Unit: Million Baht/Million shares)

| | Consolidated | | Separate | |
|---|-----------------------------|--------------|-----------------------------|--------------|
| | financial statements | | financial statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Profit for the period attributable to ordinary shareholders of the Company | 3,764 | 2,956 | 1,971 | 1,628 |
| Weighted average number of ordinary shares held by third parties outstanding | | | | |
| Number of ordinary shares outstanding at beginning of period | 7,743 | 7,743 | 7,743 | 7,743 |
| Treasury shares held by subsidiaries | (355) | (355) | - | - |
| Net | 7,388 | 7,388 | 7,743 | 7,743 |
| Basic earnings per share (in Baht) | 0.51 | 0.40 | 0.25 | 0.21 |

16 Commitments with non-related parties

The Group had commitments with non-related parties as at 31 March 2016 and 31 December 2015 as follows:

16.1 Capital commitments

(Unit: Million Baht)

| | Consolidated | | Separate | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| <i>Contracted but not provided for</i> | | | | |
| Land, buildings and constructions | 3,260 | 4,704 | 24 | 19 |
| Machinery, equipment and others | 2,070 | 3,054 | 75 | 53 |
| Total | 5,330 | 7,758 | 99 | 72 |

**Charoen Pokphand Foods Public Company Limited
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16.2 Commitments under operating lease agreements

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------|--|---------------------|
| | 31 March 2016 | 31 December 2015 | 31 March 2016 | 31 December 2015 |
| <i>Future minimum lease payments under non-cancellable operating leases</i> | | | | |
| Within one year | 3,190 | 3,166 | 161 | 115 |
| Over one year but within five years | 8,054 | 8,201 | 205 | 103 |
| Over five years | 10,669 | 10,706 | 8 | 8 |
| Total | 21,913 | 22,073 | 374 | 226 |

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 50 years expiring in 2016 to 2058.

16.3 Other commitments

The Company had a Cooperative Technical agreement with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center. The agreement will expire on 31 December 2018. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to the agreement as at 31 March 2016 totaled Baht 33 million (*31 December 2015: Baht 33 million*).

16.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totaling Baht 15 million and Baht 1,386 million respectively (*31 December 2015: Baht 1 million and Baht 1,966 million respectively*).

16.5 Letters of guarantee

- (a) The Company and certain subsidiaries had commitments to financial institutions for letters of guarantee issued by the financial institutions in favor of government agencies and others totaling Baht 735 million and Baht 7,587 million respectively (*31 December 2015: Baht 753 million and Baht 6,029 million respectively*). The letters of guarantee are principally covering the guarantee of taxes, duties and sell of products.
- (b) Certain foreign subsidiaries have commitments to foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totaling Baht 1,666 million (*31 December 2015: Baht 1,808 million*).

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17 Guarantees

As at 31 March 2016 certain foreign subsidiaries pledged their assets as collateral for their borrowings from financial institutions as follows:

17.1 Ordinary shares of the following foreign subsidiaries:

- (a) C.P. Pokphand Co., Ltd. totaling 6,894 million shares with the fair value of Baht 25,588 million (*31 December 2015: 6,779 million ordinary shares with the fair value of Baht 25,843 million*).
- (b) Pravdinsk Pig Production Closed Joint Stock Company totaling 51,000 shares with the carrying value of Baht 163 million (*31 December 2015: 51,000 ordinary shares with the carrying value of Baht 154 million*).
- (c) NNPP Limited Liability Company with an authorised share capital of Ruble 483 million or equivalent to Baht 253 million (*31 December 2015: Ruble 483 million or equivalent to Baht 238 million*).

17.2 Property, plant and equipment with net book value of Baht 5,259 million (*31 December 2015: Baht 9,788 million*).

17.3 Current assets and non-current assets mainly consist of inventories and net accounts receivable and payable, with the carrying value of Baht 4,093 million (*31 December 2015: Baht 4,722 million*).

18 Events after the reporting period

18.1 On 12 April 2016 the Company issued unsubordinated and unsecured debentures No. 1/2016 in registered name and without debenture holder representative. The debentures are divided into:

- The first series of Baht 3,060 million with a term of 4 years, bearing interest at the fixed rate of 2.28% per annum.
- The second series of Baht 3,500 million with a term of 8 years, bearing interest at the fixed rate of 3.11% per annum.
- The third series of Baht 2,500 million with a term of 15 years, bearing interest at the fixed rate of 3.73% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 31 March 2016 and were registered with the Thai Bond Market Association on 12 April 2016.

18.2 At the annual general meeting of the shareholders of the Company held on 22 April 2016, the Company’s shareholders had a resolution as follows:

- Approved of dividend payment from the Company’s operating results of the year 2015 at Baht 0.75 per share in total. In this regard, the Company already distributed the first dividend payment to shareholders as an interim dividend at Baht 0.30 per share on 10 September 2015. Therefore, the remaining second dividend payment to the ordinary shareholders who have the rights to receive the dividend of 7,742,941,932 ordinary shares shall be at Baht 0.45 per share, totaling Baht 3,484 million. The dividends are scheduled to be paid to the Company’s shareholders on 19 May 2016.

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- Approved of the increase of debenture issuance amount by Baht 20,000 million, from Baht 80,000 million to Baht 100,000 million. With this, the aggregate value (face value) of new debentures issuing at each time when combined with the aggregate value (face value) of outstanding debentures of all types, at each certain debenture issuance, shall not exceed Baht 100,000 million or equivalent amount of Baht 100,000 million in other currencies.

19 Reclassification of accounts

Certain accounts in the interim financial statements for the three-month period ended 31 March 2015 have been reclassified to conform to the presentation in the interim financial statements for the three-month period ended 31 March 2016 as follows:

(Unit: Million Baht)

| | 2015 | | | | | |
|-----------------------------|---|-----------------------|--------------------------------|-------------------------------------|-----------------------|--------------------------------|
| | Consolidated financial statement | | | Separate financial statement | | |
| | Before reclassi- fication | Reclassi- fication | After reclassi- fication | Before reclassi- fication | Reclassi- fication | After reclassi- fication |
| <i>Statements of income</i> | | | | | | |
| Selling expenses | 4,309 | 279 | 4,588 | 220 | 20 | 240 |
| Administrative expenses | 5,885 | <u>(279)</u> | 5,606 | 802 | <u>(20)</u> | 782 |
| | | <u>-</u> | | | <u>-</u> | |