



Charoen Pokphand Foods Plc.

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The Sale of Investment in the Ordinary Shares of Allianz C.P. General Insurance Company Limited

CPF and BKP sell their investment in ordinary shares of Allianz C.P. General Insurance Company Limited to CPG, totaling 7,350,000 shares at the selling price of Baht 12.75 per share with total value of Baht 93,712,500. As CPG is a connected person of CPF in accordance with the Notification of the Capital Market Supervisory Board No Tor Chor 21/2551 Re. Rules on Connected Transactions. Therefore, this transaction is a connected transaction relating to assets or services under the Notification of the Board of Governors of the Stock Exchange of Thailand.

General Description of the Assets Disposed

Company Name : Allianz C.P. General Insurance Company Limited ("AZCP")

Type of Business : Insurance

Registered Capital : As of December 31, 2011, Registered and Paid-up capital of

AZCP was Baht 300 million, comprising 30 million shares, with a par value of Baht 10.

Shareholding Structure :

Shareholding (%)

Pre-Transaction Post-Transaction

	Pre-Transaction	Post-Transaction
Charoen Pokphand Group Company Limited	25.50	50.00
CPF	18.00	-
BKP	6.50	-
Others	50.00	50.00
Total	100.00	100.00

Significant financial information of AZCP based on the audited financial statement ended December 31, 2010 and 2011 are as follows:

(Unit: Baht million)	2010*	2011
Total revenues	1,312	1,274
Net income	20	(173)
Total assets	3,520	14,580
Total liabilities	2,954	14,219
Total Shareholder's Equity	567	361
Book Value (Baht per share)	18.90	12.03

*Restated

CPF Won 5 Thailand Energy Awards 2011



Yingluck Shinawatra, Prime Minister presents Thailand Energy Awards 2011 to Charoen Pokphand Foods Public Company Limited or CPF which CPF won 5 awards this year as CPF represents an organization of sustainability of energy conservation and management at Santi Maitri Building, Government House.

Starvation in the world where food is superfluous

Dr.Dan looking at the world.

Prof. Kriengsak Chareonwongsak Ph.D. Senior Academician, business and government research center,
Harvard University

Bangkokbiznews , March 13,2012

The government has recently campaigned to lower the price of prepared food by monitoring cost-of-living standard and implementing and supporting the "Blue Flag" food and its cost standard. This is to help monitoring the cost of living for people in particular people with low income.

Pricey food is the world's concern as many people died because of starvation. The problem becomes more serious. Each year, many uprisings occur in each country not because there is no food to buy. Instead, what they pay for food is higher than their income.

According to the report of Food and Agriculture Organization of the United Nations or FAO in 2010, 200 million children below five years old (three times of Thai population) are in the condition of chronic nutrition deficiency. It's 70% of those are mostly in Asia and some of them are in Africa. Those children are at risk of being sick, dying, and becoming unhealthy adults. The problem of pricey food comes from:

: Pressure from global warming

The growth of city misappropriates the agricultural growth by taking away cultivating space and government budget. As the government policy is to develop the city, they need to allocate a large amount of money to that. The city development will destroy the environment.

The global warming which there is a prediction that every 1 °C will destroy 10% of agricultural products. Seasonal turbulences; droughts or flood from year to year directly affects agricultural industry.

: Market Mechanism Interference Policy

Many countries subsidize their agricultural products instead of other outside countries' products. This causes import products to become more expensive. The governments of many countries limit the number of exported products to higher the price of products when in other countries. Turning the Agricultural products to bio fuel is one reason. In 2009 United States could produce 416 million tons of whole grain. From this number 119 million tons were used to produce ethanol to become gasohol. The amount of whole grain products was enough for 350 million people yearly. The process of producing agricultural products to become fuel resulted in the rising price of the agricultural products. According to the World Bank study, doing so would result in 65% higher of agricultural products price.

: Different Food Consumption

At the moment approximate 3 billion population in particular Chinese, Indian, Russian, and Brazilian who used to consume a lot of meat, milk, and eggs now consume a lot of meat. Only in China, they consume meat 2 times more than in the United States. Animals eat whole grain therefore this becomes one of the factors for a higher demand of agricultural products.

: Price speculation and higher production cost

Economy crisis in the United States and EU may the investment go to oil, gold funds, and future consumer goods market resulting in inconsistent and higher price of agricultural products which are in the future consumer goods markets.

Moreover the speculation of oil futures leads to higher production cost of agricultural products especially logistic cost resulting in the motivation to bring whole grain to produce bio fuel.

Overall, the world can produce sufficient food to serve people's need. However the agricultural products are being used in other activities. The speculation results in inconsistent price resulting in some people unable to buy food as much as they want.

"expensive food is the world's concern because there are many people die of starvation. It is not because there is no food to buy but because the food is more expensive than their income."

The good news is Thailand is geographically situated in the area which is appropriated for a cultivation. Thailand has a long history of being an agricultural community with various agricultural products. Thailand has sufficient agricultural products and enough to be exported. As a result, solving the problem domestically will greatly lessen the food matter.

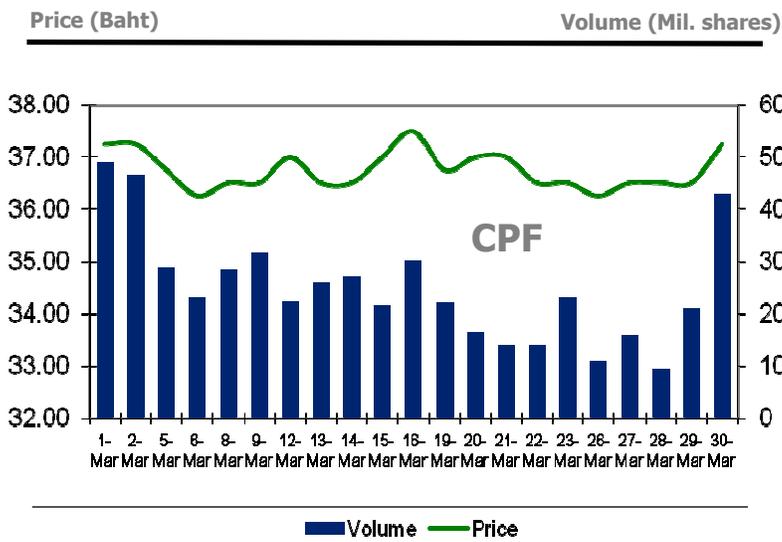
By saying entrepreneurs will have higher cost of production, Government and people involved will have to aware that higher price of cooked food from higher price of ingredients stemmed from other factors than market mechanism such as the monopoly in food production supply chain, government's intervention of food and agricultural products, corruptions in agricultural projects and food industry, expensive rental cost of food selling location (food sellers will be partly collected more rental costs by mafia), and inefficient logistic system. Government can solve these problems by implementing good measures with a very good attention.

Apart from solving the problems at hand, it is necessary that the government has a long-term plan to seriously solve the problems. Many countries have forward strategy and consider the food strategy to be the national security. They plan to deplete their resources with the utmost benefits for population.


To be Continued

For Thailand's role towards the world's problem of food starvation, both public and private sectors can cooperate with other countries and international organizations to sell part of the products in a price lower than the production cost or take exceeding products to help countries which people are starving. This cannot only lessen the problem of world's high agricultural products price and the problem of exceeding number of agricultural products and help publicize the agriculturalists' products, but also help create a good relationship with foreign countries and make Thailand become more famous. The world will see that Thai people do not only seek for profits. Instead, they will think Thai people are generous and Thailand is a good place to do the commercial with and come to travel. Make the world say, "Generosity is what Thais have for the world where there is poverty and starvation."

Price Performances: CPF



March 2011	
Highest Price	38.25
Lowest Price	36.00
Closed Price	37.25
Average Volume/Day (Shares)	25,000,000

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