



Charoen Pokphand Foods Plc.

Listed on the **S**tock **E**xchange of **T**hailand

Monthly Newsletter

Volume 16 Issue 05 – May, 2016

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Topics

- **CPF News** : CPF holds AGM meeting No.1/2016
: “CPF”, speculating an agriculture processing industry growth
- **Price Performances** : CPF

CPF holds AGM meeting No. 1/2016

Bangkokbiznew , April 27, 2016



Mr. Adirek Sripratak (3rd from left), President and Chief Executive Officer and **Mr. Prasert Poongkuman**, Vice Chairman, **Mr. Arsa Sarasin** (4th from left), Chairman of the Corporate Governance Committee, and **Dr. Chaiyawat Wibulswadi**, Chairman of the Corporate Social Responsibility and Sustainable Development Committee of Charoen Pokphand Foods Public Company Limited (CPF), jointly held the Annual General Shareholders’s meeting No.1/2016 at Panyapiwat Institute of Management, Chaeng Watthana, Bangkok. The company’s committees and executives also joined this meeting.

“CPF”, speculating an agricultural processing industry growth

Bangkokbiznews , April 23,2016

“CPF” indicated a promising sign of animal feed and farming businesses this year due to a tendency of decreased animal feed ingredients cost while meat price will rise. The company is now acquiring businesses abroad and states that there will be more acquisition this year. Its shareholders have approved to launch an additional debenture of THB 20 billion to become a good source of capital and disburse.

Despite Thai enterprises encountering an extreme draught which resulted in lower agricultural product number and revenue of agricultural sector and its related industry, for animal feed manufacturing and distribution along with farming businesses showed a positive sign. This is because of a lower cost of animal feed manufacturing, in contrast with the selling price of animal feed.

Mr. Adirek Sripratak, President and Chief Executive Officer of Charoen Pokphand Foods Public Company Limited or CPF, Thailand’s leading integrated agricultural businesses namely animal feed, farming, and food businesses talked about business outlook in 2016 that there is a positive sign on businesses, leading to this year’s 3 aspects of business direction:

1. Cost of feed for land and aquatic animals tends to reduce in the first half of 2016 2. The recovery stage of Early Morality Syndrome (EMS) in shrimp which affected businesses during the past 3-4 years. This is because shrimp farming has shown a better sign recently as research was done to solve the mentioned problem along with a better management on shrimp farming and 3. Higher price of meat especially pork which is inadequate to serve higher demand in Asia; China, Vietnam, Cambodia, and Thailand. Price of pork is therefore increasing at the moment.

For chicken, in 2014, due to an outbreak of bird flu in North America and Europe where chicken was exported from, there was not enough chicken supply so it was an opportunity to export the chicken from Thailand. For CPF’s 5-year business plan, the company still targeted a sales figure of THB 700-800 billion or a growth of approximately 10% per year.

Green Light for Additional THB 20 billion Debenture : Moreover on April 22, 2016, the Annual General Meeting of Shareholders approved an additional release of THB 20 billion debenture, resulting in a total debenture of THB 100 billion from a previous THB 80 billion to be a source of investment capital and disburse. However CPF has not specified when the debenture will be released as the company needs to consider market condition. The debenture will allow CPF to have more financial fluidity in gaining a low interest loan.

Mr. Adirek admitted that there is more opportunity for the company to acquire more businesses but it is yet to indicate when. CPF is now considering many businesses at the moment and the process takes time. Businesses being considered are related to CPF’s main businesses. Currently the company is on process of “Due Diligence” (analyzing the condition and assessing assets and debts) for land and aquatic animal businesses in Brazil. Brazil is a country with advantages of agriculture, considering from its Mega Farming activity. This made Brazil have the lowest cost of cultivation. Its swine, shrimp, and fish farming costs are accordingly lower.

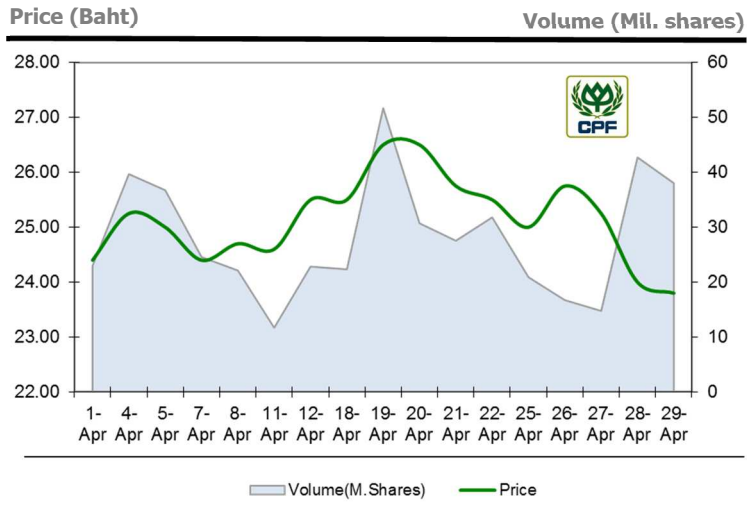
CPF’s Investments in 14 Countries Shows Great Potential : Mr. Adirek also said that CPF saw opportunity and potential of growth on their business investments abroad in 14 countries namely China, Vietnam, India, Taiwan, Turkey, Cambodia, Malaysia, England, the Philippines, Lao People’s Democratic Republic, Russia, Belgium, Tanzania, and Thailand, serving more than 3,000 million people. The investments covered manufacturing and distribution in those countries in particular China, India, Vietnam, ASEAN countries, and Russia. The company also saw continuous growth opportunity. Meanwhile, the export to developed countries such as U.S. and countries in Europe is going very well. “CPF has both long-term and short-term goals. Although with great potential, there can be failure due to uncertain economic condition. However our long-term goal is rather clear: we emphasize on sustainable growth.”

Adjusting Investment Strategy in “Turkey” : CPF’s business in Turkey encountered continuous loss for consecutive years owing to Turkey’s internal issues i.e. politics and terrorism and also because Turkey is located in the Middle East. Nevertheless in 2016 it is expected that the situation will be better after an adaptation of strategy: decelerating investment and expansion of businesses with losses and instead emphasizing on expanding businesses with profits.

For retail businesses such as 5-star chicken business which has over 6,000 branches and continuously makes profits, Chester’s Grill which has over 200 branches, and CP Fresh Mart which has over 400 branches including food centers. Overall, these mentioned businesses show a promising future and there are also not many competitors. A growth is well expected.

Currently, CPF’s revenue proportion is 35% for domestic income and 65% for income abroad.

Price Performances: CPF



April 2016	
Highest Price	27.00
Lowest Price	24.00
Closed Price	23.80
Average Volume/Day (Shares)	28,100,000

Charoen Pokphand Foods Plc.
Investor Relations Office
 26thFl., C.P. Tower, 313 Silom Rd.
 Bangkok 10500, Thailand
 Telephone +662 638 2935-6
 Facsimile +662 638 2942
Email: iroffice@cpf.co.th

Please note that this document contains forward-looking statements, obtained from various sources, that are subject to a number of factors and uncertainties. CPF makes no representation and accepts no responsibility or liability as to its completeness or accuracy. The message is provided for informational purposes and should not be construed as a solicitation or offer to buy or sell any securities.