



Charoen Pokphand Foods Plc.

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: CPF shows its satisfaction on 2015 sausage's sale growing over 6% and announced its plan of building new factory in Korat
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CPF to invest Bt50 bn for organic growth

THE NATION, May 13, 2016

CHAROEN POKPHAND Foods (CPF) plans to invest Bt50 billion from 2016-20 on organic expansion, while exploring merger and acquisition (M&A) opportunities, especially overseas, to maintain long-term growth.

CPF has also set a growth target for sales of 10-15 per cent this year, based on the continued execution of its business strategy and the turnaround in the shrimp-farming industry.

In the first quarter, the group's sales rose by 10 per cent year on year to Bt105.51 billion and net profit by 27 per cent to Bt3.76 billion. Its sales increased 6 per cent in Thailand and 12 per cent in its foreign operations.

Its shrimp business in Thailand has recovered substantially from the early mortality syndrome of the past few years, while it saw improvement in its operations in Vietnam.

CP Pokphand Co, a CPF subsidiary and Hong Kong-based listed company, has reported a remarkable advance in its financial performance. The gross margin of its livestock operation in Thailand has recovered from the meat glut last year.

Adirek Sripratak, president and chief executive officer of CPF, said yesterday that the group would continue to pursue its strategy of focusing on sustaining offshore growth and continuing to add value to its products. It will invest in the vibrant agro-industry and food markets. Its growth will be organic or via M&As.

The company still has ample room to boost its presence in international markets, he said. It is conducting due diligence on possible M&A deals.

In five years, the split in its revenue from markets abroad and at home could change 70:30 from the present 60:40, Adirek said.

CPF showed its satisfaction on 2015 sausage's sale growing over 6% and announced its plan of building new factory in Korat

Thairath, May 27, 2016

CPF, along with its certified standard, "Food Safety", continuously increases its sale after seeing last year's growth of 5-6%. The company planned to build a new factory in Korat and also increased more assembly lines to manufacture foods for specific groups of consumers including vegetarians, elderly people, and patients.

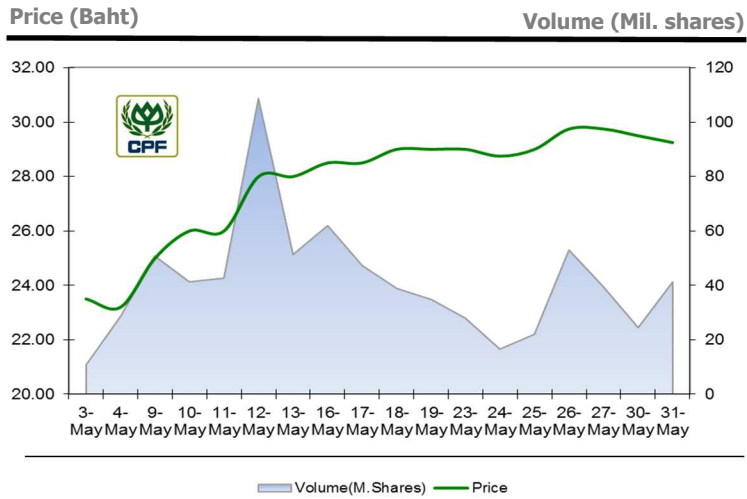
Mr. Sukhawat Dansermasuk, Executive Vice President - Ready Meal Unit, Charoen Pokphand Foods PCL. or CPF explained about CPF's ready meal business plan that "Sausage Products" is CPF's famous ready meal product and has been accepted by the market for 30 years. Its sales figure has continuously grown. Last year CPF's sausage business had 5-6% growth which is similar to the growth of other players in the market.

CPF's sausage manufacturing process has high standard and uses good quality ingredients from closed-system pig farms. The company also emphasizes on ingredients on the basis of food safety and consumption according to Food and Drug Administration's and international standards. The manufacturing is made by continuous production automated machines to avoid human touch. Throughout the manufacturing process, the temperatures within production room are from 4-12 degree Celsius. When all these mentioned standards are combined with CPF's fine recipe, the sausage has been very popular among consumers for over a period of time.

Mr. Sukhawat continued saying that from the continuous growth, the company has more confidence and is preparing to launch the new sausage production factory in Nakhonratchasima Province at the end of this year, increasing production capacity to 60 tons per day. In addition to the newly launched factory, currently CPF has 2 factories in Bangkok and Saraburi Provinces. Altogether, the 3 factories will increase production capacity to a total of 100,000 tons per year.

For ready meal food products, CPF expected the growth of 12% this year owing to the expansion of convenient store, hotel, and restaurant businesses along with consumer's behavior. The company's plan includes ready meal food business expansion to serve increasing demand of more specific groups of consumers. The mentioned food products are namely sauces, curry pastes, and seasonings, with the approved budget of THB 700 million and soon-to-be-built factory at Wangnoi Sub-District, Phra Nakhon Si Ayutthaya Province. The manufacturing is expected to start in the middle of year 2017 which includes vegetarian foods for meat-substituted consumers. The emphasis will be to serve Thai people's preference, the elderly people and a more number of them, and foods for the ill which are rather dense, mild, and easy to swallow and prevent them from smothering. The foods will be launched to the market in the middle of 2017.

Price Performances: CPF



May 2016	
Highest Price	30.25
Lowest Price	23.00
Closed Price	29.25
Average Volume/Day (Shares)	41,220,000

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