

Offering Circular dated 10 January 2014

C.P. Foods Holdings Limited

(incorporated in the British Virgin Islands with limited liability)

U.S.\$290,400,000

**0.50 per cent. Exchangeable Bonds due 2019
exchangeable into Shares of**

CP ALL Public Company Limited

(registered in the Kingdom of Thailand as a public company with limited liability)

Irrevocable Sponsor Undertaking provided by

Charoen Pokphand Foods Public Company Limited

(registered in the Kingdom of Thailand as a public company with limited liability)

Issue Price: 100 per cent.

The 0.50 per cent. Exchangeable Bonds due 2019 in the aggregate principal amount of U.S.\$290,400,000 (the "Bonds") will be issued by C.P. Foods Holdings Limited (the "Issuer") on 15 January 2014 (the "Closing Date"). The Issuer, Charoen Pokphand Foods Public Company Limited (the "Sponsor" or "CPF"), Citicorp International Limited (the "Trustee") and Citibank, N.A., London Branch (the "Principal Paying and Exchange Agent", the "Transfer Agent" and the "Registrar", and together, the "Agents") will be party to an irrevocable sponsor undertaking deed (the "Irrevocable Undertaking"), under which the Sponsor will unconditionally and irrevocably undertake, among other things, to cause the Issuer to have sufficient liquidity to ensure (i) timely payment by the Issuer of any amounts payable, or (ii) delivery by the Issuer of any property or assets deliverable, under or in respect of the Bonds, the Trust Deed (as defined in the terms and conditions of the Bonds (the "Terms and Conditions")) or the other Transaction Documents (as defined in the Terms and Conditions). Any claim under the Irrevocable Undertaking will constitute a direct, general, unconditional and unsecured obligation of the Sponsor and (subject to any obligations preferred by any applicable law) will rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Sponsor, present or future.

The Bonds will bear interest from (and including) the Closing Date at the rate of 0.50 per cent, per annum. Interest on the Bonds is payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 July 2014.

Subject to the right of the Issuer to make a cash election as described under "Terms and Conditions of the Bonds — Exchange Right — Cash Election", the Bonds will, at the option of the holder, be exchangeable (unless previously redeemed or purchased and cancelled) during the Exchange Period (as defined in the Terms and Conditions) for a *pro rata* share of the Exchange Property (as defined in the Terms and Conditions), which shall initially comprise fully paid ordinary shares of THB1.00 par value each in the capital of CP ALL Public Company Limited ("CP ALL") that are capable of being registered in the name of non-Thai nationals and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of CP ALL Public Company Limited, or non-voting depositary receipts ("NVDRs") issued in respect thereof (the "CP ALL Shares" or "Shares" which shall include NVDRs if the context requires). On the exercise of Exchange Rights (as defined in the Terms and Conditions) holders of Bonds will initially be entitled to receive 123,966.94 CP ALL Shares for each U.S.\$200,000 principal amount of Bonds (equivalent to a notional exchange price of THB53.29 per CP ALL Share, at the exchange rate of U.S.\$1 = THB33.03) subject to adjustment pursuant to the Terms and Conditions.

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed on 15 January 2019 at 111.97 per cent. of their principal amount. The Bonds are subject to redemption in whole, but not in part, at their Early Redemption Amount (as defined in the Terms and Conditions) together with accrued but unpaid interest at the option of the Issuer at any time, after giving not less than 45 nor more than 60 days' notice to the Bondholders, in the event of certain changes affecting taxation in the British Virgin Islands (in the case of payments by the Issuer) or the Kingdom of Thailand (in the case of payments by the Sponsor). The Bonds may also be redeemed at the option of the Issuer in whole, but not in part, at their Early Redemption Amount together with accrued but unpaid interest (i) at any time on or after 5 February 2017 provided that the Value of the *pro rata* share of the Exchange Property (each as defined in the Terms and Conditions) attributable to each U.S.\$200,000 principal amount of Bonds on each of not less than 20 Trading Days (as defined in the Terms and Conditions) in any period of 30 consecutive Trading Days ending not earlier than the seventh Trading Day prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded U.S.\$260,000; (ii) at any time if, prior to the date on which the relevant notice of redemption is given, Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued; or (iii) within the period of 60 days after the end of the Change of Control Period (as defined in the Terms and Conditions) in relation to a Change of Control (as defined in the Terms and Conditions) in respect of the Sponsor, CP ALL or the Predominant Relevant Company (as defined in the Terms and Conditions); or (iv) on a date falling not less than 60 nor more than 90 days following the relevant Offer Consideration Date (as defined in the Terms and Conditions), if following any Offer (as defined in the Terms and Conditions), the Exchange Property comprises solely cash and/or other property (other than Eligible Equity Shares (as defined in the Terms and Conditions)) or in the event of an Offer relating to the Predominant Equity Share Capital (as defined in the Terms and Conditions) where the Offer Consideration (as defined in the Terms and Conditions) consists solely of cash and/or other property (other than Eligible Equity Shares).

The Bonds may be redeemed at the option of the holders at their Early Redemption Amount on 15 January 2016 together with accrued but unpaid interest. The Bonds may also be redeemed at the option of the holders at their Early Redemption Amount together with accrued but unpaid interest upon (for so long as CP ALL Shares are comprised in the Exchange Property) CP ALL ceasing to be admitted to listing and trading on the Stock Exchange of Thailand (the "SET") or any such listing is suspended for a period of 30 consecutive Trading Days (as defined in the Terms and Conditions) or upon the occurrence of a Change of Control in relation to the Sponsor, CP ALL or the Predominant Relevant Company.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Bonds is not to be taken as an indication of the merits of the Issuer, the Sponsor, its subsidiaries, its associated companies, the Bonds and the Shares. Investors are advised to read and understand the contents of this document before investing. If in doubt, each investor should consult his or her adviser.

See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Bonds, beginning on page 81 of this Offering Circular.

The Bonds, the CP ALL Shares deliverable upon exchange thereof have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Bonds and the CP ALL Shares are being offered outside the United States by the Joint Bookrunners in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

For a description of these and certain further restrictions on offers and sales of the Bonds and the CP ALL Shares to be delivered upon exchange of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

The Bonds will initially be represented by a Global Certificate (as defined herein) in registered form, which shall be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on the Closing Date. Individual Bond Certificates (as defined herein) evidencing holdings of Bonds will only be available in certain limited circumstances. See "Summary of Provisions Relating to the Bonds in Global Form".

Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Bookrunners

BofA Merrill Lynch

Phatra Securities

IMPORTANT NOTICE

The Issuer and the Sponsor having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Offering Circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this Offering Circular misleading in any material respect, provided that for the information provided by third-party sources including, without limitation, CP ALL, its subsidiaries and the CP ALL Shares, contained herein, the Issuer and the Sponsor accept responsibility for accurately reproducing such information from publicly available sources but accept no further or other responsibility in respect of such information.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Sponsor, Merrill Lynch Far East Limited or Phatra Securities Public Company Limited (together with Merrill Lynch Far East Limited, the "Joint Bookrunners"), the Trustee or the Agents to subscribe for or purchase any of, the Bonds or CP ALL Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by each of the Issuer, the Sponsor and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see "Subscription and Sale".

Neither the US Securities and Exchange Commission, any state securities commission nor any other regulatory authority has approved or disapproved the Bonds nor has any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence.

The Joint Bookrunners, the Trustee and the Agents have not separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Bookrunners, the Trustee and the Agents as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Issuer, the Sponsor, CP ALL, the Bonds or the CP ALL Shares. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Bookrunners, the Trustee, the Agents nor on any person affiliated with the Joint Bookrunners, the Trustee and the Agents in connection with its investigation of the accuracy of such information or its investment decision.

Each of the Issuer, the Sponsor, the Joint Bookrunners, the Trustee and the Agents does not accept any responsibility for the accuracy, completeness or sufficiency of the information relating to CP ALL, its subsidiaries and the CP ALL Shares. The information relating to CP ALL, its subsidiaries and the CP ALL Shares has not been prepared in connection with the offering of the Bonds but has been derived only from public sources and none of the Issuer, the Sponsor, the Joint Bookrunners, the Trustee and the Agents have made any investigation or enquiry with respect to such public sources or such information. None of the Issuer, the Sponsor, the Joint Bookrunners, the Trustee or the Agents make any representation that such publicly available sources of the information relating to CP ALL, its subsidiaries and the CP ALL Shares are accurate or complete and each of the Issuer, the Sponsor, the Joint Bookrunners, the Trustee and the Agents disclaim any liability with respect to the accuracy, completeness or sufficiency of any such information. CP ALL has also not been involved in the offering of the Bonds and has not reviewed any information related to CP ALL or any of the information relating to the CP ALL Shares.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer or the Sponsor or the Joint Bookrunners, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Bonds or the CP ALL Shares. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such independent investigations and consultations with its own tax, legal and business advisers as it deems necessary. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Bonds and the Shares.

No person is authorised in connection with the issue, offering or sale of the Bonds to give any information or to make any representation not contained in this Offering Circular and any information or representation not contained herein must not be relied upon as having been authorised by the Issuer and the Sponsor, the Joint Bookrunners, the Trustee or the Agents. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of any of the Issuer, the Sponsor or its subsidiaries, associated companies and affiliates since the date hereof or that the information contained herein is correct as at any time subsequent to its date.

The Issuer reserves the right to withdraw this Offering at any time, and the Joint Bookrunners reserve the right to reject any commitment to subscribe for the Bonds in whole or in part and to allot to any prospective investor less than the full amount of the Bonds sought by such investor. The Joint Bookrunners and certain related entities may acquire for their own account a portion of the Bonds.

IN CONNECTION WITH THE ISSUE OF THE BONDS, MERRILL LYNCH FAR EAST LIMITED AS THE STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSONS ACTING ON ITS BEHALF) MAY, SUBJECT TO ALL APPLICABLE LAWS AND DIRECTIVES, OVERALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OR THE EXCHANGE PROPERTY OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

NOTICE TO RESIDENTS OF THAILAND

THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE THAI SECURITIES AND EXCHANGE COMMISSION. ANY OFFERING OR DISTRIBUTION, AS DEFINED UNDER THAI LAWS AND REGULATIONS, OF THE BONDS IN THAILAND IS NOT LEGAL WITHOUT SUCH PRIOR REGISTRATION. DOCUMENTS RELATING TO THE OFFERING OF THE BONDS, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO ANY PERSON IN THAILAND, AS THE OFFERING OF THE BONDS IS NOT AN OFFERING OF SECURITIES IN THAILAND, NOR MAY THEY BE USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE BONDS TO ANY PERSON IN THAILAND.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

CPF is incorporated in Thailand. All of CPF's directors and executive officers are residents of Thailand. Also, a substantial portion of CPF's assets are located in Thailand. As a result, you may not be able to:

- effect service of process upon CPF or these persons outside Thailand, or
- enforce against CPF judgments obtained in courts outside of Thailand, including judgments based in whole or in part on the federal securities laws of the United States.

Under Thai law, judgements entered by a non-Thai court, including actions under the civil liability provisions of securities laws of foreign jurisdictions, are not enforceable in Thailand. However, a judgment or order from a foreign court may, in the discretion of a court in Thailand, be admitted as evidence in a new proceeding instituted in that court, which would consider the issue on the evidence before it. See "Risk Factors—Risks Relating to Thailand—Non-enforceability of non-Thai judgements may limit an investor's ability to recover damages from the Company".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The consolidated and separate financial statements of the Sponsor for the year ended 31 December 2012, which are included elsewhere in this Offering Circular, have been audited by KPMG Phoomchai Audit Ltd., independent auditors, as stated in their report appearing herein, which includes an explanatory paragraph that states that with effect from 1 January 2012 CPF adopted a new accounting policy and that the comparative consolidated and separate financial statements for the year ended 31 December 2011, which appear elsewhere in this Offering Circular, have been restated accordingly. With respect to the unaudited interim financial information for the three month and nine month periods ended 30 September 2013 and 30 September 2012, included elsewhere in this Offering Circular, the independent public accountants have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. These financial statements were prepared in accordance with Thai Financial Reporting Standards ("TFRS"), effective as of 1 January 2011, which is aligned with but not identical to International Financial Reporting Standards ("IFRS"). See "Summary of the Significant Differences Between TFRS and IFRS".

The consolidated and separate financial statements of the Sponsor for the years ended prior to 31 December 2012 are available publicly on the website of the Sponsor at www.cpfworldwide.com/cpd/en/page/ir/financial_information.aspx. The consolidated and separate financial statements of the Sponsor for the year ended 31 December 2012, which include comparative financial information for the year ended 31 December 2011 (restated) and appear on pages F-2 to F-122, have been prepared and presented in accordance with TFRS and International Accounting Standard ("IAS") No. 41 Agriculture, which has been applied retrospectively in accordance with the transitional provisions of Thai Accounting Standard No. 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors and the consolidated and separate financial information for the year ended 31 December 2011 has been restated accordingly. As such, the financial information prepared prior to 1 January 2012 which is available publicly is not comparable with the financial information prepared from 1 January 2012 appearing in this Offering Circular.

CERTAIN TERMS AND CONVENTIONS

Unless indicated otherwise, in this Offering Circular all references to (i) the “Issuer” are to C.P. Foods Holdings Limited, (ii) the “Sponsor” and “CPF” are to Charoen Pokphand Foods Public Company Limited, (iii) the “CPF Group” are to the Sponsor and its subsidiaries, (iv) “CP ALL” are to CP ALL Public Company Limited, and (v) the “CP ALL Group” are to CP ALL and its subsidiaries.

All references in this Offering Circular to “THB” and “Baht” are to Thai baht, the lawful currency of the Kingdom of Thailand (“Thailand”) and references to “U.S. dollars” and “U.S.\$” are to United States dollars and cents, the lawful currency of the United States of America. Unless otherwise specified, all conversions of THB into U.S.\$ were made at the rate of THB32.823 = U.S.\$1.00, which was the weighted-average interbank exchange rate announced by the Bank of Thailand (the “BOT”) as at 27 December 2013. Any translation made in this Offering Circular is for the sole purpose of convenience and has not been audited. No representation is made that the THB amounts referred to herein could have been or could be converted into U.S. dollars at any particular rate or at all.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

FORWARD-LOOKING STATEMENTS

Certain statements under “Summary”, “Risk Factors”, and elsewhere in this Offering Circular constitute “forward-looking statements”. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the financial position of the Sponsor and the CPF Group, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Sponsor’s and the CPF Group’s activities), are forward-looking statements that are based on the Sponsor’s current expectations about future events. Although the Sponsor believes that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- the Sponsor’s and the CPF Group’s business and operating strategies;
- the Sponsor’s and the CPF Group’s capital expenditure and development plans;
- the amount and nature of, and potential for, future development of the Sponsor’s and the CPF Group’s businesses;
- various business opportunities that the Sponsor or the CPF Group may pursue;
- the regulatory environment of the agro-industrial and food industry in general;
- changes in political, economic, legal and social conditions in Thailand;
- the prospective financial condition and performance regarding the Sponsor’s and the CPF Group’s businesses;
- availability and costs of bank loans and other forms of financing;
- changes in competitive conditions and the Sponsor’s and the CPF Group’s ability to compete under these conditions;
- changes in currency exchange rates; and
- other risks identified in the “Risk Factors” section of this Offering Circular.

Some of these statements can be identified by forward-looking terms, such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Sponsor’s and the CPF Group’s expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Sponsor’s and the CPF Group’s business strategies, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this Offering Circular that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer, the Sponsor or any third party) involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Issuer, the Sponsor and the CPF Group or industry results, to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on current beliefs, assumptions,

expectations, estimates and projections of the directors and management of the Sponsor regarding the Sponsor's and the CPF Group's present and future business strategies and the environment in which they will operate in the future. Reliance should not be placed on these forward-looking statements. These forward-looking statements speak only as at the date of this Offering Circular. Each of the Issuer, the Sponsor and the Joint Bookrunners expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or the Sponsor's expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based.

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SUMMARY

Terms used in this summary and not otherwise defined shall have the meanings given to them elsewhere in this Offering Circular. The following summary is qualified in its entirety by, and is subject to, the detailed information and the financial statements contained elsewhere in this document. Prospective investors should therefore read this Offering Circular in its entirety.

THE CPF GROUP

Overview

The CPF Group is a leading agro-industrial and food conglomerate headquartered in Thailand. The CPF Group has become a prominent participant in the agri-food industry, particularly through its vertically integrated business model in Thailand that combines efficient, high-standard production and processing facilities, genetic research, and systems that facilitate ongoing monitoring and control over the variables of health, diet, environment and hygiene at each stage of the food value chain. CPF was the largest agro-industrial and food company listed in Thailand as at 30 September 2013.

The CPF Group's livestock business focuses on chickens (mainly broilers, which are specifically raised for meat and, to a lesser extent, layers, which are raised for their eggs), swine, duck and other animals while its aquaculture business focuses on shrimp and fish. The businesses could also be categorised according to three main product categories as follows:

- *The feed business*, involving the manufacture and sale of livestock and aquatic feed;
- *The farm business*, involving livestock/aquatic breeding, farming and basic meat processing; and
- *The food business*, involving the manufacture of partially-cooked and fully-cooked meat, the production of cooked and partially-cooked food products and ready-to-eat meal products, as well as the operation of restaurants and food outlets.

The CPF Group's operations in Thailand are vertically integrated with operations in each of the feed, farm and food product stages. Its Thai operations involve both domestic sales and exports (together constituting 45 per cent. of consolidated revenues in 2012 and 42 per cent. of revenues for the nine months ended 30 September 2013). The CPF Group also has a significant international presence which comprises operations in 10 countries outside Thailand (constituting 55 per cent. of revenues in 2012 and 58 per cent. of revenues for the nine months ended 30 September 2013) as well as investment in a company located in Cambodia. CPF exports to over 40 countries including the United States, France, Germany, the Netherlands, Spain, the United Kingdom and Japan.

Key Operating Data

The following tables set out key operating data for each of the CPF Group's business divisions in the years ended 31 December 2011 and 2012 and the nine month periods ended 30 September 2012 and 2013.

	Consolidated Sales					
	For the year ended 31 December			For the nine months ended 30 September		
	2011	2012	2012	2012	2013	2013
	(THB million)		(U.S.\$ million)	(THB million)		(U.S.\$ million)
Livestock						
Thailand	113,658	117,734	3,587	85,754	99,236	3,024
Domestic	98,564	101,762	3,100	74,678	86,584	2,638
Export	15,094	15,972	487	11,076	12,652	386
China ¹	—	90,049	2,744	64,721	72,430	2,207
Vietnam.....	—	36,669	1,117	25,914	32,662	994
Others.....	40,373	44,940	1,369	33,726	34,841	1,062
Total livestock	154,031	289,392	8,817	210,115	239,169	7,287
Aquaculture						
Thailand	40,491	41,690	1,270	31,382	21,051	641
Domestic	26,994	26,800	817	20,894	12,732	388
Export	13,497	14,890	453	10,488	8,319	253
China ¹	—	9,362	285	8,354	9,055	276
Vietnam.....	—	6,947	212	5,321	6,882	210
Others.....	11,577	9,784	298	7,783	9,729	296
Total aquaculture	52,068	67,783	2,065	52,840	46,717	1,423
Total consolidated sales.	206,099	357,175	10,882	262,955	285,886	8,710

¹ Limited to the CPP and its subsidiaries' operations in China.

	Consolidated Sales					
	For the year ended 31 December			For the nine months ended 30 September		
	2011	2012	2012	2012	2013	2013
	(THB million)		(U.S.\$ million)	(THB million)		(U.S.\$ million)
Thailand	154,149	159,424	4,857	117,136	120,287	3,665
Domestic	125,558	128,562	3,917	95,572	99,316	3,026
Feed	51,704	56,471	1,720	42,353	38,375	1,169
Farm	58,349	54,048	1,647	40,163	46,123	1,405
Food	15,505	18,043	550	13,056	14,818	452
Export	28,591	30,862	940	21,564	20,971	639
Feed	1,462	344	10	238	311	10
Farm	6,107	7,552	230	5,398	4,897	149
Food	21,022	22,966	700	15,928	15,763	480
International	51,950	197,751	6,025	145,819	165,599	5,045
China ¹	—	99,411	3,029	73,075	81,485	2,483
Feed	—	99,411	3,029	73,075	81,485	2,483
Farm	—	—	—	—	—	—
Food	—	—	—	—	—	—
Vietnam	—	43,616	1,329	31,235	39,544	1,204
Feed	—	22,621	689	16,548	19,349	589
Farm	—	20,371	621	14,282	19,444	592
Food	—	624	19	405	751	23
Others	51,950	54,724	1,667	41,509	44,570	1,358
Feed	25,994	26,289	801	19,724	20,985	639
Farm	23,371	25,308	771	19,439	20,762	633
Food	2,585	3,127	95	2,346	2,823	86
Total consolidated sales.	<u>206,099</u>	<u>357,175</u>	<u>10,882</u>	<u>262,955</u>	<u>285,886</u>	<u>8,710</u>

¹ Limited to CPP and its subsidiaries' operations in China.

Competitive Strengths

The management of CPF believes it has the following competitive strengths:

- The CPF Group's continuous investment in production innovation helps it to capture future growth
- Geographical diversification with presence in 12 countries which include high growth emerging markets
- A vertically integrated business model
- Experienced management team

Business Strategies

The CPF Group aims to become the world's leading agri-food company, under the vision to be "The Kitchen of the World". The CPF Group has identified three key business strategies:

- Pursue Continued Growth
- Maintain Operational Excellence
- Sustainability through Investment

CP ALL

Overview

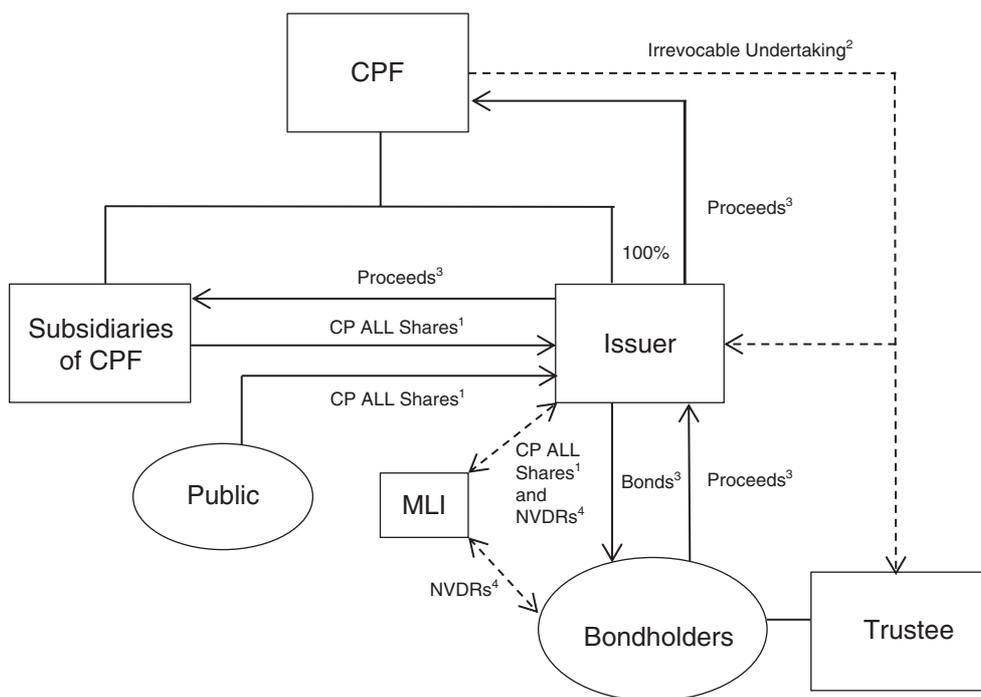
CP ALL was established in 1988 by the Charoen Pokphand Group to operate the convenience store business in Thailand under the "7-Eleven" trademark under licence from 7-Eleven, Inc., USA. In 1989, the first 7-Eleven outlet in Thailand was opened on Patpong Road. By 30 September 2013, CP ALL had a total of 7,319 7-Eleven stores across Thailand.

In addition, CP ALL has invested in other businesses which support its core convenience store business in Thailand.

Recent Developments

On 23 April 2013, CP ALL entered into the Makro SPA with Makro SHV to acquire ordinary shares of Makro, both directly and indirectly, by acquiring the shares in a) Makro, b) Siam Makro Holding (Thailand) Ltd. and c) OHT Co., Ltd. Under the Makro SPA the consideration paid was approximately U.S.\$4,247 million or approximately THB121,536 million, or at a price of THB787 or U.S.\$27.50 per share (at the exchange rate of THB28.6181 per U.S.\$1, which was the exchange rate on the date of execution of the Makro SPA). On 27 June 2013, CP ALL made a tender offer to purchase the remaining 81,264,900 ordinary shares of Makro from other shareholders, which was equivalent to 33.86 per cent. of Makro's total issued and paid-up shares. The offer price for the ordinary shares was THB787 per share. As at 5 August 2013, CP ALL obtained 76,172,375 shares from the completed tender offer, representing 31.74 per cent. of Makro's total issued and paid-up shares, increasing CP ALL's direct and indirect shareholding in Makro to 97.88 per cent. of the total issued and paid-up shares.

OFFER STRUCTURE



Notes:

- 1 The Issuer has acquired the CP ALL Shares initially comprising the Exchange Property from other subsidiaries of CPF and, to a limited extent, through on-market purchases. The Issuer has funded such acquisition from the proceeds of a shareholder loan. The Exchange Property is placed in a custody account in the name of and for the benefit of the Issuer with Merrill Lynch International (“MLI”) as custodian. The Issuer has provided certain restrictive covenants to the Trustee and for the benefit of the Bondholders as set out in Condition 3(b) of the Terms and Conditions.
- 2 CPF, as the Sponsor, will enter into the Irrevocable Undertaking with the Issuer, the Agents and the Trustee under which it will unconditionally and irrevocably undertake to cause the Issuer to have sufficient liquidity to ensure (i) timely payment by the Issuer of any amounts payable, or (ii) delivery by the Issuer of any property or assets deliverable, under or in respect of the Bonds, the Trust Deed or the other Transaction Documents (as the case may be) in accordance with the Terms and Conditions, the Trust Deed and other Transaction Documents. The Trustee will have an indemnity claim under the Irrevocable Undertaking for any loss or damage suffered as a result of failure of the Sponsor to discharge its obligations under the Irrevocable Undertaking and non-payment or non-delivery under the Bonds, the Trust Deed or any other Transaction Document. See “Description of the Irrevocable Sponsor Undertaking Deed”.
- 3 The Issuer will issue the Bonds and use the net proceeds of the Bonds in part to repay a shareholder loan incurred by the Issuer for the purpose of acquiring the initial Exchange Property and the balance will be on-lent by the Issuer to other members of the CPF Group. The CPF Group intends to ultimately use the majority of the net proceeds for the purposes of repaying outstanding debt of CPF and the balance will be used for general corporate purposes.
- 4 The Issuer has entered into a securities lending agreement (“Securities Lending Agreement” or “SLA”) with MLI as borrower, under which the Issuer will lend to MLI up to the lower of (i) 110,000,000 NVDRs and (ii) the number of NVDRs required to be delivered if all outstanding Bonds were exchanged. MLI may on-loan the NVDRs to investors in the Bonds for the purpose of facilitating hedging transactions. MLI is not acting as custodian for the benefit of the Bondholders.

THE OFFERING

Terms used in this summary and not otherwise defined shall have the meanings given to them in the Terms and Conditions. As this is a summary, it does not contain all of the information that may be important to investors. Please refer to the section "Terms and Conditions of the Bonds" in this Offering Circular for a detailed description of the terms and conditions of the Bonds.

Issuer	C.P. Foods Holdings Limited.
Sponsor	Charoen Pokphand Foods Public Company Limited.
Bonds	U.S.\$290,400,000 0.50 per cent. Exchangeable Bonds due 2019 exchangeable into a <i>pro rata</i> share of the Exchange Property.
CP ALL Shares	Fully paid ordinary shares of THB1.00 par value each in the capital of CP ALL that are capable of being registered in the name of non-Thai nationals and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of CP ALL, and if the contexts requires, NVDRs issued in respect thereof.
Closing Date	15 January 2014.
Issue Price	100 per cent..
The Offering	The Bonds and the CP ALL Shares deliverable upon exchange of the Bonds are being offered by the Joint Bookrunners outside the United States in accordance with Regulation S.
Form and Denomination	The Bonds will be in registered form in the principal amount of U.S.\$200,000 each and integral multiples thereof. The Bonds will initially be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Individual Certificates evidencing holdings of Bonds will only be available in certain limited circumstances. See "Summary of Provisions Relating to the Bonds in Global Form".
Status of the Bonds	The Bonds constitute direct, general, unconditional and unsecured obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference among themselves and equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, subject to any obligations preferred by applicable law and subject as described under "Terms and Conditions of the Bonds — Covenants — Negative pledge".

Irrevocable Undertaking

The Sponsor will in the Irrevocable Undertaking unconditionally and irrevocably undertake, among other things, to cause the Issuer to have sufficient liquidity to ensure (i) timely payment by the Issuer of any amounts payable, or (ii) delivery by the Issuer of any property or assets deliverable, under or in respect of the Bonds, the Trust Deed or the other Transaction Documents, and in the event that the Sponsor breaches its obligations under the Irrevocable Undertaking, it will be responsible for all loss suffered by the Issuer, the Agents and the Trustee (for itself and on behalf of the Bondholders) as a result of such breach, as further described in “Summary of the Irrevocable Sponsor Undertaking Deed”.

Status of the Irrevocable Undertaking

Any claim under the Irrevocable Undertaking will constitute a direct, general, unconditional and unsecured obligation of the Sponsor and (subject to any obligations preferred by any applicable law) such claim will rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Sponsor, present and future.

Interest

The Bonds will bear interest from and including 0.50 per cent. per annum, payable semi-annually in arrear in equal instalments on 15 January and 15 July of each year, with the first interest payment date falling on 15 July 2014.

Negative Pledge

The Bonds will contain a negative pledge provision as further described in “Terms and Conditions of the Bonds — Covenants — Negative pledge”.

The Irrevocable Undertaking will contain a negative pledge provision as further described in “Summary of the Irrevocable Sponsor Undertaking Deed”.

Exchange Right

Each Bondholder has the right to exchange all or any of its Bonds at any time during the Exchange Period for a *pro rata* share of the Exchange Property as at the relevant Exchange Date, subject to the right of the Issuer to make a Cash Election. However, in the event of an Offer for any Equity Shares, comprised in the Exchange Property, the Exchange Rights may be suspended as described in “Terms and Conditions of the Bonds — General offers”.

A *pro rata* share of the Exchange Property means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the *pro rata* share relates) which are outstanding at such time.

Cash Election

Upon the exercise of Exchange Rights by a Bondholder, the Issuer may make a Cash Election by giving notice to the relevant Bondholders by not later than the Cash Election Exercise Date, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds, in whole or in part, by making payment, or procuring that payment is made, to the relevant Bondholder of the Cash Alternative Amount, together with any other amounts payable by the Issuer to such Bondholder. The Issuer will pay the Cash Alternative Amount together with any other amount as aforesaid, by not later than three New York business days following the last day of the Cash Alternative Calculation Period. The Cash Alternative Amount, a sum in U.S. dollars, is determined according to the average of the Value on each Trading Day in the Cash Alternative Calculation Period of the relevant *pro rata* share of the Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds.

Cash Alternative Calculation Period

The period of five consecutive Trading Days commencing on the third Trading Day immediately following the Cash Election Exercise Date.

Exchange Period

The period from (and including) 25 February 2014 up to (and including) the close of business (at the place where the Bond is deposited for exchange) on the date which falls seven days prior to the Maturity Date.

Exchange Property

The Exchange Property shall initially comprise 180,000,000 CP ALL Shares and shall include such other Relevant Securities and other property (including any cash amounts) arising out of or derived or resulting therefrom as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Terms and Conditions, but excluding any such property as may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend other than to the extent comprising a Capital Distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property pursuant to the Terms and Conditions.

Initial Exchange Ratio

On the exercise of Exchange Rights, Bondholders will initially be entitled to receive 123,966.94 CP ALL Shares for each U.S.\$200,000 principal amount of Bonds (equivalent to a notional exchange price of THB53.29 per CP ALL Share, at the exchange rate U.S.\$1 = THB33.03) subject to adjustment in accordance with the Terms and Conditions.

Anti-Dilution Provisions

The Bonds will contain provisions for the adjustment of the Exchange Property in the event of the occurrence of certain dilutive events including, among others, subdivision, consolidation or redenomination, rights issues, bonus issues, capital distributions and reorganisations.

General Offers

In the event of an Offer for any Relevant Securities, comprised in the Exchange Property, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that it will not accept such Offer (a) prior to the Specified Date and (b) unless the value of the consideration offered for such Relevant Securities pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Relevant Securities. The Issuer will not accept any Offer in respect of such part of the Exchange Property which would be deliverable to Bondholders who have exercised Exchange Rights in respect of Bonds where the relevant Exchange Date falls prior to the commencement of any Suspension Period. The Issuer shall give notice to the Trustee and the Bondholders forthwith upon becoming aware of the existence of any Offer.

Maturity Date

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed on 15 January 2019 at 111.97 per cent. of their principal amount.

Tax Redemption

Subject to certain exceptions and as more fully described in “Terms and Conditions of the Bonds — Redemption and Purchase — Redemption at the Option of the Issuer — For tax reasons”, the Bonds may be redeemed, in whole but not in part, at the option of the Issuer, by giving not less than 45 nor more than 60 days’ notice to the Bondholders, at their Early Redemption Amount on the date fixed for redemption, together with accrued but unpaid interest to the tax redemption date, if, as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of payments by the Issuer) or the Kingdom of Thailand (in the case of payments by the Sponsor), the Issuer or the Sponsor, as the case may be, would become obliged to pay additional amounts.

Redemption at the Option of the Issuer

The Bonds may also be redeemed at the option of the Issuer in whole, but not in part, at their Early Redemption Amount as at such date, together with accrued interest to the relevant date fixed for redemption: (i) at any time on or after 5 February 2017, provided that the Value of the *pro rata* share of the Exchange Property attributable to each U.S.\$200,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh Trading Day prior to the date on which the relevant notice of redemption is given shall have exceeded U.S.\$260,000; or (ii) at any time if, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued; or (iii) within the period of 60 days after the end of the Change of Control Period in relation to a Change of Control in respect of the Sponsor, CP ALL or the Predominant Relevant Company; or (iv) on a date falling not less than 60 nor more than 90 days following the relevant Offer Consideration Date, if following any Offer, the Exchange Property comprises solely cash and/or other property (other than Eligible Equity Shares) or in the event of an Offer relating to the Predominant Equity Share Capital where the Offer Consideration consists solely of cash and/or other property (other than Eligible Equity Shares).

Redemption at the Option of the Bondholders

The Bonds may be redeemed at the option of the Bondholders on 15 January 2016 at their Early Redemption Amount as at such date, together with accrued interest to such date.

Redemption following a Change of Control

The Bonds may be redeemed at the option of the Bondholders at their Early Redemption Amount together with accrued and unpaid interest upon the occurrence of a Change of Control in relation to the Sponsor, CP ALL or the Predominant Relevant Company.

Redemption following a De-listing Event

The Bonds may be redeemed at the option of the Bondholders at their Early Redemption Amount together with accrued and unpaid interest upon (for so long as CP ALL Shares are comprised in the Exchange Property) CP ALL ceasing to be admitted to listing and trading on the SET or any such listing is suspended for a period of 30 consecutive Trading Days.

Taxation

All payments made by or on behalf of the Issuer in respect of the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding is required to be made by law. If any such withholding or deduction is required to be made, the Issuer will pay such additional amounts (subject to certain exceptions) as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, with certain exceptions. See “Terms and Conditions of the Bonds — Taxation”.

Cross-Default

The Bonds will contain a cross-default provision as further described in “Terms and Conditions of the Bonds — Events of Default”.

Other Events of Default

For a description of certain other events that will permit acceleration of the Bonds, see “Terms and Conditions of the Bonds — Events of Default”. If any event that will permit acceleration occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the Bonds then outstanding and/or if so directed by an Extraordinary Resolution (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction), shall give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at the Relevant Amount.

Governing Law

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Trustee

Citicorp International Limited.

Principal Paying and Exchange Agent

Citibank, N.A., London Branch.

Listing

Application has been made to the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. The Shares are listed on the SET.

Clearing

The Bonds have been accepted for clearance by Euroclear and Clearstream, Luxembourg under the following Common Code and ISIN:

Common Code: 101578968

ISIN: XS1015789685

Use of Proceeds

The net proceeds of the issue of the Bonds will be used in part to repay a shareholder loan incurred by the Issuer for the purpose of acquiring the initial Exchange Property and the balance will be on-lent by the Issuer to other members of the CPF Group. The CPF Group intends to ultimately use the majority of the net proceeds for the purposes of repaying outstanding debt of CPF and the balance will be used for general corporate purposes.

Existence of Stock Borrow

Under a securities lending agreement (“SLA”) between the Issuer as lender and Merrill Lynch International (“MLI”) as borrower, the Issuer has agreed to lend to MLI up to 110,000,000 NVDRs forming part of the Exchange Property from the Custody Account. The Issuer may recall NVDRs under the SLA if, upon an exchange under the Bonds, there are insufficient CP ALL Shares in the Custody Account for the Issuer to discharge its delivery obligations.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE SPONSOR

The following table sets forth the Sponsor's selected historical consolidated financial information as at and for the years ended 31 December 2011 and 2012 and the nine months ended 30 September 2012 and 2013. This historical consolidated financial information should be read in conjunction with the Sponsor's historical consolidated financial statements, together with each of their related notes, and the section "Presentation of Financial and Other Information" as included elsewhere in this Offering Circular. The Sponsor's audited consolidated financial statements were prepared and presented in accordance with TFRS which differs in certain respects from IFRS. See "Summary of the Significant Differences between TFRS and IFRS". The selected consolidated financial information as at and for the nine months ended 30 September 2012 and 2013 has been derived from the Sponsor's unaudited consolidated financial statements for the nine months ended 30 September 2013, including the notes thereto. Except as otherwise disclosed in the auditors' report for the relevant period, the Sponsor's unaudited consolidated financial statements were prepared in accordance with TFRS.

Consolidated					
As at 31 December			As at 30 September		
2011	2012	2012	2012	2013	2013
THB millions	THB millions	U.S.\$ millions	THB millions	THB millions	U.S.\$ millions
(restated)					

SELECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION INFORMATION

Assets

Current assets

Cash and cash equivalents	24,341	12,258	373	14,997	26,492	807
Accounts receivable — trade and others	15,692	23,279	709	23,000	22,306	680
Short-term loans to jointly-controlled entities	—	199	6	261	141	4
Inventories	21,233	48,334	1,473	46,356	43,316	1,320
Current biological assets	12,514	19,300	588	19,268	21,246	647
Advance payments for purchase of goods	397	1,006	31	1,276	1,686	51
Prepaid expenses	522	1,114	34	1,121	1,195	36
Other current assets	1,802	3,711	113	4,943	3,756	115
Total current assets	76,501	109,201	3,327	111,222	120,138	3,660

	Consolidated					
	As at 31 December			As at 30 September		
	2011	2012	2012	2012	2013	2013
	THB millions	THB millions	U.S.\$ millions	THB millions	THB millions	U.S.\$ millions
	(restated)					
<i>Non-current assets</i>						
Available-for-sale investments.....	1,373	2,455	75	2,514	1,960	60
Investments in associates	23,405	30,764	937	25,587	38,709	1,179
Investments in jointly-controlled entities	—	3,282	100	3,495	5,007	153
Investments in related companies	1,330	1,504	46	1,508	1,519	46
Investments in other companies	—	27	1	27	7	0
Investment properties	823	1,484	45	1,451	1,962	60
Property, plant and equipment.....	52,025	90,812	2,767	79,065	100,689	3,068
Non-current biological assets	2,120	5,200	158	5,129	5,205	159
Goodwill	418	54,792	1,669	55,138	56,134	1,710
Other intangible assets	425	4,301	131	4,019	3,935	120
Restricted deposits at financial institutions	103	220	7	179	180	5
Deferred tax assets	1,406	787	24	1,359	2,321	71
Leasehold rights prepayment	52	4,237	129	—	4,659	142
Other non-current assets	525	1,478	45	5,564	1,843	56
Total non-current assets	84,005	201,343	6,134	185,035	224,130	6,829
Total assets	160,506	310,544	9,461	296,257	344,268	10,489
Liabilities and equity						
<i>Current liabilities</i>						
Overdrafts and short-term borrowings from financial institutions	22,897	47,660	1,452	39,220	46,896	1,429
Bills of exchange	—	4,951	151	—	8,754	267
Accounts payable — trade and others..	11,733	20,620	628	20,447	21,911	668
Short-term borrowings from jointly-controlled entities and related companies	—	220	7	223	311	9
Current portion of long-term debts.....	5,687	9,266	282	9,637	7,023	214
Current portion of long-term borrowings from related companies ..	—	40	1	41	32	1
Accrued expenses	1,944	5,129	156	5,511	6,058	184
Income tax payable.....	1,553	1,328	41	1,449	949	29
Other current liabilities.....	2,257	6,004	183	7,125	8,193	250
Total current liabilities	46,071	95,218	2,901	83,653	100,127	3,051

	Consolidated					
	As at 31 December			As at 30 September		
	2011	2012	2012	2012	2013	2013
	THB millions	THB millions	U.S.\$ millions	THB millions	THB millions	U.S.\$ millions
	(restated)					
<i>Non-current liabilities</i>						
Long-term debts	40,865	84,044	2,560	86,850	110,770	3,375
Long-term borrowings from related companies	—	21	1	32	—	—
Provisions and others	65	392	12	399	392	12
Deferred tax liabilities	1,695	5,072	154	4,849	4,488	137
Employee benefit obligations.....	4,733	5,016	153	5,179	5,395	164
Total non-current liabilities	47,358	94,545	2,880	97,309	121,045	3,688
Total liabilities	93,429	189,763	5,781	180,962	221,172	6,739
<i>Equity</i>						
Share capital						
Authorised share capital.....	8,207	7,743	236	7,743	7,743	236
Issued and paid-up share capital.....	7,520	7,743	236	7,743	7,743	236
Treasury shares	(2,855)	(1,135)	(35)	(1,135)	(1,135)	(35)
Additional paid-in capital						
Premium on ordinary shares.....	16,436	36,463	1,111	36,463	36,463	1,111
Other premium	—	3,470	106	3,470	3,470	106
Surplus from change in equity in subsidiary	—	—	—	—	103	3
Retained earnings						
Appropriated legal reserve	821	821	25	821	821	25
Appropriated treasury share reserve.	1,629	—	—	—	—	—
Unappropriated	41,188	52,770	1,608	52,404	52,459	1,598
Other components of equity	(584)	4,390	134	(534)	5,483	167
Equity attributable to equity holders of the Company	64,155	104,522	3,185	99,232	105,407	3,211
Non-controlling interests	2,922	16,259	495	16,063	17,689	539
Total equity	67,077	120,781	3,680	115,295	123,096	3,750
Total liabilities and equity	160,506	310,544	9,461	296,257	344,268	10,489

	Consolidated					
	Year ended 31 December			Nine Months ended 30 September		
	2011	2012	2012	2012	2013	2013
	THB millions	THB millions	U.S.\$ millions	THB millions	THB millions	U.S.\$ millions
	(restated)					
SELECTED CONSOLIDATED STATEMENT OF INCOME INFORMATION						
<i>Income</i>						
Revenue from sale of goods and rendering of services	206,099	357,175	10,882	262,955	285,886	8,710
Interest income	249	286	9	231	277	9
Dividend income	36	38	1	34	33	1
Net foreign exchange gain	196	—	—	—	—	—
Gains on changes in fair value of investment in associates	—	8,673	264	8,673	—	—
Gains on sale of investments	1,358	6,009	183	3,515	6,469	197
Other income	1,075	2,672	81	2,021	1,151	35
Total Income	<u>209,013</u>	<u>374,853</u>	<u>11,420</u>	<u>277,429</u>	<u>293,816</u>	<u>8,952</u>
<i>Expenses</i>						
Cost of sale of goods	172,488	315,838	9,623	229,017	258,696	7,882
Losses (gains) on changes in fair value of biological assets	(87)	(229)	(7)	(342)	(397)	(12)
Selling expenses	7,371	15,176	462	10,976	12,382	377
Administrative expenses	11,537	18,084	551	13,296	14,321	436
Net foreign exchange loss	—	52	2	80	159	5
Finance costs	2,432	6,377	194	4,483	6,044	184
Total expenses	<u>193,741</u>	<u>355,298</u>	<u>10,825</u>	<u>257,510</u>	<u>291,205</u>	<u>8,872</u>
Share of profits of associates and jointly-controlled entities	3,863	4,139	126	3,141	3,892	118
Profit before income tax expense	19,135	23,694	721	23,060	6,503	198
Income tax expense (income)	2,898	2,675	81	2,784	(292)	(9)
Profit for the year	<u>16,237</u>	<u>21,019</u>	<u>640</u>	<u>20,276</u>	<u>6,795</u>	<u>207</u>
Profit attributable to:						
Equity holders of the Company	16,117	18,790	572	18,552	5,310	162
Non-controlling interests	120	2,229	68	1,724	1,485	45
Profit for the period	<u>16,237</u>	<u>21,019</u>	<u>640</u>	<u>20,276</u>	<u>6,795</u>	<u>207</u>
Basic earnings per share						
(in Baht)	<u>2.42</u>	<u>2.59</u>	<u>0.08</u>	<u>2.57</u>	<u>0.72</u>	<u>0.02</u>

The above figures in Baht have been rounded from thousands of Baht to millions of Baht.

Consolidated

	As of 31 December			As of 30 September	
	2011	2012	2012	2013	2013
	THB millions	THB millions	U.S.\$ millions	THB millions	U.S.\$ millions
	(restated)				
CONSOLIDATED CREDIT RATIOS					
Total liabilities	93,429	189,763	5,781	221,172	6,739
Total indebtedness	69,449	146,202	4,454	173,786	5,295
Cash and cash equivalents.....	24,341	12,258	373	26,492	807
Total equity	67,077	120,781	3,680	123,096	3,750
Net debt to equity ratio ⁽¹⁾	0.67x	1.11x	1.11x	1.20x	1.20x
Net liabilities to equity ratio ⁽²⁾	1.03x	1.47x	1.47x	1.58x	1.58x

(1) Net debt to equity ratio is calculated from total indebtedness minus cash and cash equivalents then divided by total equity. Total indebtedness is the sum amount of CPF's interest bearing debt. This net debt to equity ratio is for presentation purposes only and does not correspond to the various net liabilities to equity ratios that CPF is subject to under their existing debt obligations.

(2) Net liabilities to equity ratio is calculated from total liabilities minus cash and cash equivalents then divided by total equity. This net liabilities to equity ratio is for presentation purposes only and does not correspond to the various net liabilities to equity ratios that CPF is subject to under their existing debt obligations.

Company Only

	As of 31 December			As of 30 September	
	2011	2012	2012	2013	2013
	THB millions	THB millions	U.S.\$ millions	THB millions	U.S.\$ millions
	(restated)				
STANDALONE CREDIT RATIOS					
Total liabilities	51,252	78,627	2,395	90,211	2,748
Total indebtedness	44,467	73,422	2,237	84,610	2,578
Cash and cash equivalents.....	20,477	1,290	39	1,007	31
Total equity	51,971	76,052	2,317	73,280	2,233
Net debt to equity ratio ⁽¹⁾	0.46x	0.95x	0.95x	1.14x	1.14x
Net liabilities to equity ratio ⁽²⁾	0.59x	1.02x	1.02x	1.22x	1.22x

(1) Net debt to equity ratio is calculated from total indebtedness minus cash and cash equivalents then divided by total equity. Total indebtedness is the sum amount of CPF's interest bearing debt. This net debt to equity ratio is for presentation purposes only and does not correspond to the various net liabilities to equity ratios that CPF is subject to under their existing debt obligations.

(2) Net liabilities to equity ratio is calculated from total liabilities minus cash and cash equivalents then divided by total equity. This net liabilities to equity ratio is for presentation purposes only and does not correspond to the various net liabilities to equity ratios that CPF is subject to under their existing debt obligations.

TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, are the terms and conditions of the Bonds, substantially as they will appear on the reverse of the Bonds in definitive form (if issued):

The issue of the U.S.\$290,400,000 0.50 per cent. Exchangeable Bonds due 2019 (the “Bonds”) of C.P. Foods Holdings Limited (the “Issuer”) was authorised by resolutions of the Board of Directors of the Issuer passed on 9 January 2014. The giving of an undertaking and indemnity by Charoen Pokphand Foods Public Company Limited (the “Sponsor”) was authorised by resolutions of the Board of Directors of the Sponsor passed on 9 January 2014. The Bonds are constituted by a trust deed (as modified, amended, supplemented and/or restated from time to time in accordance with its terms) (the “Trust Deed”) dated 15 January 2014 and made between the Issuer and Citicorp International Limited (the “Trustee”, which term shall, where the context so permits, include all other persons or companies acting as trustee or trustees thereof) as trustee for the Bondholders (as defined below). The Issuer has entered into a paying, transfer and exchange agency agreement (the “Agency Agreement”) dated 15 January 2014 with the Trustee, Citibank, N.A., London Branch as principal paying and exchange agent, transfer agent and registrar and the other paying and exchange agents and transfer agents named therein. The Issuer has entered into a custody deed (the “Custody Deed”) with Merrill Lynch International dated 29 November 2013. The Sponsor has entered into an irrevocable sponsor undertaking deed (the “Irrevocable Undertaking”) with the Issuer, the Agents and the Trustee dated 15 January 2014. The registrar and the principal paying and exchange agent and the other paying and exchange agents and transfer agents for the time being are referred to below, respectively, as the “Registrar”, the “Principal Paying and Exchange Agent”, the “Paying and Exchange Agents” and the “Transfer Agents” (which expression shall include the Principal Paying and Exchange Agent) and together, the “Agents”. The statements in these terms and conditions of the Bonds (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds. Copies of the Trust Deed, the Agency Agreement, the Irrevocable Undertaking and the Custody Deed are available for inspection by Bondholders at the registered office of the Trustee being at the date hereof at 39th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong and at the specified office(s) of the Paying and Exchange Agents. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Irrevocable Undertaking and the Agency Agreement applicable to them.

Capitalised terms used but not defined in these Conditions shall have the meanings attributable to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Status

(a) Form and Denomination

The Bonds are in registered form in the principal amount of U.S.\$200,000 each (the “authorised denomination”) and integral multiples thereof. A certificate (each a “Certificate”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “Register”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be evidenced by a global certificate (the “Global Certificate”) deposited with a common depositary for, and evidencing Bonds registered in the name of a common nominee of, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Conditions are modified by certain provisions contained in the Global Certificate.

(b) Title

Title to the Bonds passes by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, or theft or loss of it or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) Status

The Bonds constitute direct, general, unconditional and unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably without any preference among themselves and (subject to any obligations preferred by any applicable law and Condition 3) equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future. The Bonds will not have the benefit of a sinking fund.

2 Deed of Undertaking

The Sponsor has in the Irrevocable Undertaking unconditionally and irrevocably undertaken to fund the Issuer's due and punctual payment of all sums payable under the Trust Deed and the Bonds. The Irrevocable Undertaking is expressed to be for the benefit of the Issuer, the Agents and the Trustee and any claim thereunder will constitute a direct, general, unconditional and unsecured obligation of the Sponsor and (subject to any obligations preferred by any applicable law) such claim will rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Sponsor, present and future.

The Sponsor has undertaken to the Trustee on behalf of the Bondholders in the Irrevocable Undertaking that so long as any Bond remains outstanding (as defined in the Trust Deed), the Sponsor will not, and the Sponsor will cause its Subsidiaries (as defined in Condition 3) not to, (i) create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "Security Interest"), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in Condition 3), or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or (ii) create or have outstanding any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness in circumstances where any Security Interest upon the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of any Subsidiary of the Sponsor is outstanding as security for or in respect of any such Relevant Indebtedness or any guarantee or indemnity in respect of any such Relevant Indebtedness, unless, in any of the circumstances described in (i) and/or (ii) above, at the same time or prior thereto there is accorded to the Bonds the same security for so long as such Relevant Indebtedness is so secured or such other security as the Trustee in its discretion shall deem to be not materially less beneficial to the Bondholders or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In this Condition 2:

"Subsidiary" has the meaning set out in Condition 5 but excludes Charoen Pokphand Enterprise (Taiwan) Co., Ltd., C.P. Pokphand Company Limited and each of their respective Subsidiaries, while the equity capital of Charoen Pokphand Enterprise (Taiwan) Co., Ltd or C.P. Pokphand Company Limited, as the case may be, is listed on a stock exchange.

3 Covenants

(a) *Negative Pledge*

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not (i) create or have outstanding any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or (ii) create or have outstanding any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness in circumstances where any Security Interest upon the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of any Subsidiary (as defined in Condition 5) of the Issuer is outstanding as security for or in respect of any such Relevant Indebtedness or any guarantee or indemnity in respect of any such Relevant Indebtedness, unless, in any of the circumstances described in (i) and/or (ii) above, at the same time or prior thereto there is accorded to the Bonds the same security for so long as such Relevant Indebtedness is so secured or such other security as the Trustee in its discretion shall deem to be not materially less beneficial to the Bondholders or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In Conditions 2 and 3:

“Exchangeable Bonds” means Relevant Indebtedness that confers on the holder the right (the “Exchangeable Bond Right”) to exchange such Relevant Indebtedness for, or convert such Relevant Indebtedness into, or otherwise purchase, subscribe or acquire, any Exchange Securities and where the relevant Security Interest is limited to:

- (i) up to four times the maximum number of such Exchange Securities that would be required to be delivered to holders on exercise of the Exchangeable Bond Right (or by reference to which any such cash payment is to be calculated), any rights or entitlements (including in respect of dividends or distributions) in respect of such Exchange Securities and rights as against any custodian or similar entity in respect thereof; and/or
- (ii) rights as against any paying agent or similar entity in respect of the Exchangeable Bonds over or in respect of amounts held by such agent or other entity for payment in respect of the Exchangeable Bonds; and/or
- (iii) the shares in the capital of any special purpose financing vehicle which issues the Exchangeable Bonds,

and provided that such Exchangeable Bonds are issued on a *bona fide* arms-length basis on market terms (including as to exchange ratios, exchange prices and option premium, or the like) consistent with international market practice for equity linked instruments.

“Exchange Securities” means any shares issued by any person other than the Issuer, and shall include any depositary or other receipts or certificates representing any such shares.

“Relevant Indebtedness” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or

other similar securities (including trust certificates) (but for the avoidance of doubt excluding term loans, credit facilities, credit agreements and other similar facilities and evidence of indebtedness under such loans, facilities or credit agreements) which:

- (a) by their terms are payable, or confer a right to receive payment: (i) in any currency other than Thai Baht; or (ii) are denominated and payable in Thai Baht and more than one-half of the aggregate principal amount of which is initially distributed outside of Thailand; and
- (b) are for the time being, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, but shall exclude Exchangeable Bonds.

For the avoidance of doubt, a 'guarantee or indemnity' shall not include a standby letter of credit or other credit enhancement provided by a person other than the Sponsor or any of its Subsidiaries.

(b) Covenants

- (i) So long as any Bond remains outstanding, save with the prior written consent of the Trustee or as approved by an Extraordinary Resolution of the Bondholders or as expressly contemplated or permitted in any of the Transaction Documents the Issuer will not:
 - (1) engage in any business other than purchasing the initial and any future Exchange Property, holding the Exchange Property and exercising all rights relating thereto (including, without limitation, voting any shares comprising the Exchange Property, participating in any corporate actions relating thereto and receiving any distributions or dividends thereon), operating its bank accounts, lending or otherwise dealing with Cash Dividends received, entering into the Transaction Documents and related agreements and transactions, and performing any act incidental to or necessary in connection with the issue and operation of the Bonds, holding the Exchange Property, the Transaction Documents or any of the foregoing;
 - (2) other than with respect to subordinated loans from the Sponsor, directly or indirectly incur any indebtedness for or in respect of moneys borrowed or raised (other than the Bonds and any shareholder loan, the proceeds of which were used by the Issuer to acquire the initial Exchange Property, to be repaid with the net proceeds of the Bonds) or give any guarantee or indemnity or incur or assume any other liability (except for operational liabilities of a routine or administrative nature);
 - (3) other than to the Sponsor, issue any shares (other than such shares as are in issue on the Closing Date or pursuant to a capital increase for the purposes of funding any administrative expenses or any payment in respect of the Bonds or the Trust Deed) or declare any dividend or distribution to its shareholders;
 - (4) amend or alter any of the provisions of its articles of association or other constitutional documents as amended and restated other than of a minor or technical nature, to reflect an injection of capital by the Sponsor or that will not (in the opinion of the Trustee) be materially prejudicial to the Bondholders;

- (5) waive any rights it may have against the Sponsor pursuant to or in connection with the Irrevocable Undertaking;
 - (6) have any Subsidiaries or employees (excluding any director);
 - (7) consolidate or merge with any other person or convey or transfer its properties or assets to any person substantially as an entirety;
 - (8) take any action for its winding-up, dissolution or administration, or anything analogous thereto;
 - (9) change its jurisdiction of incorporation from the British Virgin Islands;
 - (10) create or permit to subsist any Security Interest or any arrangement having a like or similar effect upon the Exchange Property; or
 - (11) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of the Exchange Property (except pursuant to the Stock Lending Agreement or these Conditions or on exercise of the Exchange Rights);
- (ii) In giving any consent to the foregoing, the Trustee shall be entitled but not obliged to require the Issuer and/or the Sponsor to make such modifications or additions to the provisions of the Bonds, or any Transaction Document or may impose such other conditions or requirements as the Trustee may deem expedient or appropriate (in its sole discretion) in the interests of the Bondholders.

4 Registration and Transfer of Bonds

(a) Registration

The Issuer will cause the Register to be kept at the specified office of the Registrar on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and exchanges of Bonds.

(b) Transfer

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(c) and 4(d), be transferred in an authorised denomination by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Transfer Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within 10 business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, register the relevant transfer and deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the

request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) Formalities Free of Charge

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar (and as initially set out in the Agency Agreement).

(d) Closed Periods

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 11(b); (ii) in respect of which an Exchange Notice has been delivered in accordance with Condition 7(b); or (iv) during the period of 15 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

5 Definitions

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

“Additional Exchange Property” has the meaning set out in Condition 7(b)(ii);

“Authorised Officers” has the meaning given in the Trust Deed;

“Bondholder” and “holder” means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof);

“business day” means, in relation to any place, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in such place;

“Capital Distribution” means:

- (a) any Non-Cash Dividend; and/or
- (b) in relation to CP ALL Shares comprised in the Exchange Property, the gross amount of any Cash Dividend (the “Relevant CP ALL Dividend”) paid in respect of any fiscal year of CP ALL (the “Relevant Fiscal Year”) if and to the extent that the sum of:
 - (i) the Fair Market Value of the Relevant CP ALL Dividend per CP ALL Share; and
 - (ii) the aggregate of the Fair Market Value per CP ALL Share of any other Cash Dividend per CP ALL Share paid in respect of such Relevant Fiscal Year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of such Relevant Fiscal Year),

multiplied by (1 - B) (as defined in the definition of "CP ALL Reference Amount") (such amount being the "Current Year's CP ALL Dividends"), exceeds the CP ALL Reference Amount relating to the Relevant Fiscal Year, and in such case the amount of the relevant Capital Distribution with respect to such Relevant CP ALL Dividend shall be the lesser of:

- (1) the amount by which the Current Year's CP ALL Dividends exceeds the CP ALL Reference Amount as determined in respect of the Relevant CP ALL Dividend; and
- (2) the product of the Fair Market Value of the Relevant CP ALL Dividend multiplied by (1 - B) (as defined in the definition of "CP ALL Reference Amount"),

multiplied by the number of CP ALL Shares comprised in the Exchange Property and entitled to the Relevant CP ALL Dividend; and/or

- (c) in relation to any Equity Share Capital (other than CP ALL Shares) comprised in the Exchange Property, the gross amount of any Cash Dividend (the "Relevant Equity Share Dividend") paid in respect of any fiscal year of the issuer of such Equity Share Capital (the "Relevant Financial Period") if and to the extent that the sum of:

- (i) the Fair Market Value of the Relevant Equity Share Dividend per share; and
- (ii) the aggregate of the Fair Market Value of the Relevant Equity Share Dividend per share and any other Cash Dividend per share paid in respect of such Relevant Financial Period (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of such Relevant Financial Period),

multiplied by (1 - B) (as defined in the definition of "Equity Share Reference Amount") (such amount being the "Current Year's Equity Share Dividends"), exceeds the Equity Share Reference Amount relating to the Relevant Fiscal Year, and in such case the amount of the relevant Capital Distribution with respect to such Relevant Equity Share Dividend shall be the lesser of:

- (1) the amount by which the Current Year's Equity Share Dividends exceeds the Equity Share Reference Amount as determined in respect of such Relevant CP ALL Dividend; and
- (2) the Fair Market Value of the Relevant Equity Share Dividend multiplied by (1 - B) (as defined in the definition of "Equity Share Reference Amount")

multiplied by the number of such Equity Shares comprised in the Exchange Property and entitled to the Relevant Equity Share Dividend;

For the purposes of paragraph (b) and (c) above, Fair Market Value in respect of any Cash Dividend shall (subject as otherwise provided in paragraph (a) of the definition of "Dividend") be determined as at the Effective Date in respect of such Cash Dividend.

"Cash Alternative Amount" has the meaning set out in Condition 7(c);

"Cash Dividend" means (i) any Dividend which is to be paid in cash (in whatever currency), and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) or (b) of the definition of "Dividend".

"Cash Election" has the meaning set out in Condition 7(c);

“Cash Election Exercise Date” has the meaning provided in Condition 7(c);

“Change of Control” shall occur in respect of a person (a “Relevant Person”) if:

- (a) (other than as a result of a Newco Scheme and other than with respect to the Issuer and/or the Sponsor and any of its Subsidiaries) one or more persons, acting individually or in concert, acquire Control, directly or indirectly, of the Relevant Person;
- (b) the Relevant Person consolidates or amalgamates with or merges into another person and where the Relevant Person is not the continuing entity;
- (c) the Relevant Person disposes or transfers all or substantially all of its assets to one or more other persons, acting individually or in concert, except for a disposal or transfer by the Relevant Person to a subsidiary of the Relevant Person in which the Relevant Person directly or indirectly holds or controls 100 per cent. of the Voting Rights; or
- (d) with respect to the Sponsor, Charoen Pokphand Group Co., Ltd. and/or any of its Group Companies, together hold less than 20 per cent. of the total issued and outstanding share capital of the Sponsor.

“Control” means, in respect of any person, the:

- (a) acquisition, ownership or control of, more than 50 per cent, of the number of votes that may ordinarily be cast at any meeting of the shareholders of such person; or
- (b) the right to appoint and/or remove all or a majority of the board of directors (or equivalent body) of such person whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise (and Controlled shall be construed accordingly);

“Change of Control Notice” has the meaning provided in Condition 10(e);

“Change of Control Period” means the period commencing on and including the date of the occurrence of a Change of Control and ending on and including 60 days following the Change of Control or, if later, on and including 60 days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 10(e);

“Change of Control Put Date” has the meaning provided in Condition 11(c)(ii);

“Change of Control Put Exercise Notice” has the meaning provided in Condition 11(c)(ii);

“Closing Date” means 15 January 2014;

“CP ALL” means CP ALL Public Company Limited;

“CP ALL Reference Amount” means, in relation to any Relevant CP ALL Dividend, an amount determined in accordance with the following formula:

$$CPARA = A \times (1 - B)$$

where:

CPARA is the CP ALL Reference Amount;

- A 2.5 per cent of the average of the Volume Weighted Average Price of a CP ALL Share on the 10 consecutive Trading Days ending on the Trading Day immediately preceding the Effective Date relating to such Relevant CP ALL Dividend provided that if on any such Trading Day the Volume Weighted Average Price shall have been based on a price cum-Dividend or cum any other entitlement, the Volume Weighted Average Price of a CP ALL Share on such Trading Day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per CP ALL Share as at the Effective Date relating to such Dividend;
- B is the Applicable Tax Rate;

Where, "Applicable Tax Rate" is the applicable rate of withholding tax in respect of the payment of dividends to the Issuer in respect of the CP ALL Shares comprised in the Exchange Property at the relevant time under the Thai-British Virgin Islands double tax treaty from time to time; provided that with respect a Cash Dividend: (i) pursuant to paragraph (a) or (b) of the definition of "Dividend" (a "Relevant Dividend"); or (ii) in the form of a combination of a Dividend in cash and a Relevant Dividend, in each case where the Applicable Tax Rate (in accordance with applicable laws and regulations) is to be applied to a value of the CP ALL Shares issued pursuant to such Cash Dividend that is not based on the market value of the CP ALL Shares, the Applicable Tax Rate shall be calculated in relation to such Cash Dividend by dividing the actual tax deducted with respect to the Cash Dividend on a per CP ALL Share basis by the Fair Market Value of such Cash Dividend (expressed as a percentage) and such percentage shall constitute the Applicable Tax Rate. If more than one Cash Dividend is paid in any fiscal period where there is a different Applicable Tax Rate applied, the CP ALL Reference Amount shall be as determined by the Independent Adviser;

The current Applicable Tax Rate for a Dividend in cash paid is 10 per cent. The Applicable Tax Rate may be subject to change.

"CP ALL Shares" means fully paid ordinary shares of THB1:00 par value each in the capital of CP ALL that are capable of being registered in the name of non-Thai nationals and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of CP ALL, and if the contexts requires, NVDRs issued in respect thereof;

"Custody Account" means the custody accounts of the Issuer held with Merrill Lynch International as custodian pursuant to the Custody Deed;

"Custody Deed" means the custody deed dated 29 November 2013 between the Issuer and Merrill Lynch International as custodian;

"De-listing Event" means, for so long as CP ALL are comprised in the Exchange Property, CP ALL at any time ceasing to be admitted to listing and trading on the SET or any such listing is suspended for a period of 30 consecutive Trading Days;

"De-listing Event Notice" has the meaning provided in Condition 10(f);

"De-listing Event Period" means the period commencing on and including the date of the occurrence of a De-listing Event and ending on and including 60 days following the De-listing Event or, if later, 60 days following the date on which a De-listing Event Notice is given to Bondholders as required by Condition 10(f);

“De-listing Event Put Date” has the meaning provided in Condition 11(c)(iii);

“De-listing Event Put Exercise Notice” has the meaning provided in Condition 11(c)(iii);

“Dividend” means any dividend or distribution, whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution of any kind whatsoever attributable to shareholders or payment to shareholders upon or in connection with a reduction of capital or otherwise (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the issue or delivery of Relevant Securities or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to either (i) the Fair Market Value of such cash amount or (ii) the Fair Market Value of such Relevant Securities or other property or assets, in any such case as at the Effective Date in respect of the relevant Dividend or capitalisation (or, if later, the date on which the number of Relevant Securities (or amount of other property or assets, as the case may be) is determined), whichever amount pursuant to (i) or (ii) is received by the Issuer; the Issuer being entitled to make such election as it may determine in its sole discretion (including making no election) in respect of any such Dividend or capitalisation by giving notice to the Trustee and to the Bondholders in accordance with Condition 19 by not later than the last day on which a holder of the Relevant Securities would be required or entitled to make the relevant election;
- (b) where there shall be any issue of Relevant Securities by way of capitalisation of profits or reserves where such issue is or is expressed to be in lieu of a Dividend (whether or not a cash dividend equivalent or amount is announced or would otherwise be payable to holders of the Relevant Securities), the capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such Relevant Securities as at the Effective Date in respect of the relevant capitalisation or, if later, the date on which the number of Relevant Securities to be issued is determined;
- (c) any issue of Relevant Securities falling within Condition 8(b)(i) or 8(b)(iii)(A) shall be disregarded;
- (d) any offer by a Relevant Company of Relevant Securities or other securities or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities falling within Condition 8(b)(ii) shall be disregarded;
- (e) a repurchase or redemption of Equity Shares by or on behalf of a Relevant Company shall be disregarded; and
- (f) where a Dividend is paid to holders of any Equity Shares pursuant to any plan implemented by the Issuer of such Equity Shares for the purpose of enabling holders of the Equity Shares to elect, or which may require such holders, to receive Dividends in respect of such Equity Shares held by them from a person other than, or in addition to, the Issuer of such Equity Shares, such Dividend shall for the purposes of these Conditions be treated as a Dividend paid to holders of the Equity Shares by the Issuer of such Equity Shares, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly;

and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“Early Redemption Amount” means for each U.S.\$200,000 principal amount of the Bonds, an amount that is determined so that it represents (i) in the case of a redemption on the Maturity Date, U.S.\$223,944.48 with unpaid accrued interest from and including the immediately preceding Interest Payment Date, or (ii) in the case of a redemption of the Bonds pursuant to Condition 11(b) or 11(c) or if the Bonds become due and payable pursuant to Condition 14, the amount which is determined to be the amount which, together with unpaid accrued interest from and including the immediately preceding Interest Payment Date or, if none, the Closing Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, represents for the Bondholder on the relevant date for determination of the Early Redemption Amount (the “Determination Date”) for the Bondholder a gross yield of 2.75 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each U.S.\$200,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is an Interest Payment Date (as set out below), such Early Redemption Amount shall be as set out in the table below in respect of such Interest Payment Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount} \times (1 + r/2)^{d/p} - AI$$

Previous Redemption Amount = the Early Redemption Amount for each U.S.\$200,000 principal amount of Bonds on the Interest Payment Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to 15 July 2014, U.S.\$200,000)

Interest Payment Date	Early Redemption Amount
	(U.S.\$)
15 July 2014.....	202,250.00
15 January 2015.....	204,530.94
15 July 2015.....	206,843.24
15 January 2016.....	209,187.33
15 July 2016.....	211,563.66
15 January 2017.....	213,972.66
15 July 2017.....	216,414.78
15 January 2018.....	218,890.49
15 July 2018.....	221,400.23

r = 2.75 per cent. expressed as a fraction.

d = number of days from and including the immediately preceding Interest Payment Date (or if the Bonds are to be redeemed on or before the first Interest Payment Date, from and including the Closing Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

- p = the number of days from and including the immediately preceding Interest Payment Date (or, if none, the Closing Date) to but excluding the next Interest Payment Date.
- AI = the accrued interest on a Bond determined in accordance with and pursuant to Condition 6(a) on the principal amount of U.S.\$200,000 from and including the immediately preceding Interest Payment Date (or if the Determination Date is before the first Interest Payment Date, from and including the Closing Date) to but excluding the Determination Date, calculated on the basis of a 360 day year consisting of 12 months of 30 days each and in the case of an incomplete month, the number of days elapsed.

“Effective Date” means the first date on which the CP ALL Shares or, as the case may be, the relevant Equity Share Capital, are traded ex- the relevant Dividend or capitalisation on the Relevant Exchange;

“Equity Share Reference Amount” means, in relation to any Relevant Equity Share Dividend, an amount determined in accordance with the following formula:

$$ESRA = A \times (1 - B)$$

where:

ESRA is the Equity Share Reference Amount;

A 2.5 per cent of the average of the Volume Weighted Average Price of the relevant Equity Share Capital on the five consecutive Trading Days ending on the Trading Day immediately preceding the Effective Date relating to such Relevant Equity Share Dividend, provided that if on any such Trading Day the Volume Weighted Average Price shall have been based on a price cum-Dividend or cum-any other entitlement, the Volume Weighted Average Price of such Relevant Equity Share Capital on such Trading Day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per share as at the Effective Date relating to such Dividend or entitlement;

B is the Applicable DTT Rate;

Where, “Applicable DTT” means the applicable double tax treaty between the British Virgin Islands and the jurisdiction of the place of incorporation or tax residence of the Relevant Company making the payment of the Relevant Equity Share Dividend; and

“Applicable DTT Rate” is the minimum rate of withholding tax in respect of the payment of Dividends to the Issuer in respect of the relevant Equity Share Capital comprising the Exchange Property at the relevant time under the Applicable DTT;

“Equity Share Capital” means, in relation to any entity, its issued share capital (or equivalent) excluding any part of that capital (or equivalent) which, neither as respect dividends nor as respect capital, carries any right to participate beyond a specific amount in a distribution, and “Equity Share” shall be submitted accordingly;

“Equivalent Amount” has the meaning set out in Condition 7(b)(iii)(a);

“Exchange Date” has the meaning set out in Condition 7(b)(i);

“Exchange Expenses” has the meaning set out in Condition 7(b)(i);

“Exchange Notice” has the meaning set out in Condition 7(b)(i);

“Exchange Period” has the meaning set out in Condition 7(a)(v);

“Exchange Property” has the meaning set out in Condition 8(a);

“Exchange Right” has the meaning set out in Condition 7(a)(i);

“Extraordinary Resolution” has the meaning provided in the Trust Deed;

“Fair Market Value” means, with respect to any property as at or on any date, the fair market value of that property as determined by an Independent Adviser; provided that (i) the fair market value of a Cash Dividend paid or to be paid per CP ALL Share or other Equity Share shall be the amount of such Cash Dividend per CP ALL Share or other Equity Share (determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit); (ii) where shares, options, warrants or other securities or rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by such Independent Adviser) the fair market value of such shares, options, warrants or other securities or rights shall equal the arithmetic mean of the daily Volume Weighted Average Price of such shares, options, warrants or other securities or rights during the period of 5 Trading Days on the relevant stock exchange or securities market commencing on such date (or, if later, on the first such Trading Day such shares, options, warrants or other rights are publicly traded) or such shorter period as such shares, options, warrants or other securities or rights are publicly traded; (iii) where shares, options, warrants or other securities or rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid) the fair market value thereof shall be determined by such Independent Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including volatility, prevailing interest rates and the terms of such shares, options, warrants or other securities or rights and (iv) in each case converted into the currency in which the CP ALL Shares (where such determination relates to the CP ALL Shares) or such other Equity Shares (where such determination relates to such other Equity Shares) are traded on the Relevant Exchange (if expressed in a currency other than such currency) at the Screen Rate on such date (or, in the case of (ii), at the average of the Screen Rate on each Trading Day in the relevant period);

“Final Date” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects;

“Final Maturity Date” means 15 January 2019;

“First Call Date” has the meaning provided in Condition 11(b)(ii);

“Group Company” means a company, in relation to which, 20 per cent. or more of its total issued share capital is (directly or indirectly) held by Charoen Pokphand Group Co., Ltd.;

“indebtedness for or in respect of moneys borrowed or raised” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit or other securities or instruments offered, issued or distributed whether by way of public offer, private placement, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

“Independent Adviser” means an independent institution or adviser of international repute appointed by the Issuer at its own expense and approved in writing by the Trustee or, if the Issuer fails to make such appointment and such failure continues for 15 Bangkok business days and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee following notification to the Issuer;

“Interest Payment Date” has the meaning set out in Condition 6(a);

“Interest Period” has the meaning set out in Condition 6(a);

“Newco Scheme” means, in relation to any person, a scheme of arrangement or analogous proceedings (“Scheme of Arrangement”) which effects the interposition of a limited liability company (“Newco”) between the shareholders of such person immediately prior to the Scheme of Arrangement (the “Existing Shareholders”) and such person; provided that (i) only ordinary shares or units or equivalent of Newco, or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco, are issued to Existing Shareholders; (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts representing ordinary shares or units or equivalent of Newco are Existing Shareholders holding in the same proportions as immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder of such person; (iv) all Subsidiaries of such person immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of such person) are Subsidiaries of such person (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement, such person (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by such person immediately prior to the Scheme of Arrangement;

“Non-Cash Dividend” means any Dividend which is not a Cash Dividend;

“NVDRs” means non-voting depositary receipts issued by Thai NVDR Co., Ltd. as depositary in respect of CP ALL Shares;

“Offer” means an offer to the holders of any Equity Shares comprising Exchange Property, whether expressed as a legal offer, an invitation to treat or in any other way, in circumstances where such offer is available to all holders of the applicable Equity Shares (or all or substantially all such holders other than any holder to whom such offer may not be extended pursuant to applicable securities or other laws or who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined not to make such an offer);

“Offer Consideration” has the meaning set out in Condition 7;

“Offer Consideration Date” means in relation to any Offer the date upon which the Offer Consideration is made available to the holders of the relevant Equity Shares;

“Optional Put Date” has the meaning provided in Condition 11(c);

“Optional Put Exercise Notice” has the meaning provided in Condition 11(c);

“Optional Redemption Date” has the meaning provided in Condition 11(b);

“Predominant Relevant Company” means at any time the issuer of the Predominant Equity Share Capital comprised in the Exchange Property at such time;

“Predominant Equity Share Capital” means, if at any time there is more than one type or series of Equity Share Capital comprised in the Exchange Property, such type or series of Equity Share Capital which in the determination of an Independent Adviser represents the largest proportion or weighting by value in the Exchange Property at such time;

“Predominant Exchange Security” means, if at any time there is more than one type or series of Relevant Securities in the Exchange Property, such type or series of Relevant Securities which in the determination of an Independent Adviser represents the largest proportion or weighting by value in the Exchange Property at such time;

“*pro rata* share” means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the *pro rata* share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property or the relevant Cash Alternative Amount, as the case may be has not yet been delivered or paid and excluding from the Exchange Property such *pro rata* share of the Exchange Property in relation to such Bonds);

“Realisation Proceeds” means the proceeds of sale (after the deduction of costs and expenses of such sale) of the relevant Exchange Property (in the case of Condition 7(b)(ii)) or the relevant dividends or other income or distributions or rights (in the case of Condition 7(b)(iii)(b)) carried out by an independent broker or investment bank of international repute selected by the Issuer and approved by the Trustee (at the Issuer’s expense), on an arm’s length basis (converted if necessary into U.S. dollars at the Screen Rate on the date of receipt of such proceeds);

“Record Date” has the meaning provided in Condition 12;

“Register” has the meaning provided in Condition 4;

“Registered Securities” has the meaning set out in Condition 7(b)(ii);

“Registration Date” means in respect of any Registered Securities comprised in the Exchange Property to be delivered to a Bondholder upon exercise of Exchange Rights, the date on which the relevant Bondholder is registered as the holder of such Registered Securities;

“Regulation S” has the meaning set out in Condition 7(b)(i);

“Relevant Bond” has the meaning set out in Condition 6(c);

“Relevant Company” means CP ALL, and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of CP ALL with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the securities of which are, at the relevant time included in the Exchange Property;

“Relevant Date” means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any payment is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days following the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 19 that, upon further presentation of the relevant Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions;

“Relevant Event” has the meaning set out in Condition 8(b)(iii);

“Relevant Exchange” means:

- (i) in the case of the CP ALL Shares, the SET or, if the CP ALL Shares are no longer admitted to trading on the SET, the principal stock exchange or securities market on which the CP ALL Shares are then listed, admitted to trading or quoted or dealt in; or
- (ii) in the case of any other Equity Shares or Relevant Securities or other securities or options, warrants or other rights, the principal stock exchange or securities market on which such Equity Shares or Relevant Securities or other securities or options, warrants or other rights are then listed, admitted to trading or quoted or dealt in;

“Relevant Securities” means any securities which at the relevant time are included in the Exchange Property;

“Rights Issue” has the meaning set out in Condition 8(b)(ii);

“Screen Rate” means, on any day, and, in respect of the conversion of one currency into another currency, the rate of exchange between such currencies appearing on or derived from the relevant Bloomberg page (which shall be the Currency Rates Matrix Page or such other Bloomberg page reasonably determined by the Issuer) as at or about 10:00am (Bangkok time) on that day, or, if that page is not available or that rate of exchange does not appear on that page at that time on that day, the rate of exchange between such currencies appearing on such other screen or information service, or determined in such other manner, as the Issuer shall determine (with the approval of an Independent Adviser);

“securities” means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other securities);

“SET” means the Stock Exchange of Thailand;

“Settlement Date” means in the case of the exercise of Exchange Rights (other than where a Cash Election is made) the date falling 14 Trading Days after the relevant Exchange Date;

“SGX-ST” means the Singapore Exchange Securities Trading Limited;

“Stock Borrow Shares” means any CP ALL Shares forming part of the Exchange Property that has been lent by the Issuer pursuant to the Stock Lending Agreement;

“Stock Lending Agreement” means the stock lending agreement dated 10 January 2014 between the Issuer and Merrill Lynch International Limited or any other related or replacement stock lending arrangements;

“Sub-division, Consolidation or Redenomination” has the meaning set out in Condition 8(b)(i);

“Subsidiary” means in relation to any person at any time, a company, body corporate, corporation, association or other business entity (a) 50 per cent or more of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by such person or (b) whose affairs and policies at such time such person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove members of the board of directors or others governing body or otherwise or (c) whose financial statements are at such time, in accordance with applicable law and generally accepted accounting principles, consolidated with such person’s financial statements;

“Tax Redemption Date” has the meaning provided in Condition 11(b)(i);

“Tax Redemption Notice” has the meaning provided in Condition 11(b)(i);

“Trading Day” means in respect of CP ALL Shares or any Relevant Security, or other securities or options, warrants or other rights, a day on which the Relevant Exchange is open for business, other than, in any such case, a day on which the Relevant Exchange is scheduled to or does close prior to its regular closing time, provided that for the purposes of determining the Cash Alternative Calculation Period or any date on which payment of any amount or delivery of any Exchange Property is to be made, “Trading Day” will be the Trading Day applicable to the Predominant Exchange Security;

“Transaction Documents” means the Trust Deed, the Agency Agreement, the Irrevocable Undertaking and the Custody Deed;

“TSD” means the de-materialised securities trading system operated by the Thailand Securities Depository Co., Ltd. or any replacement or alternative central depository and/or clearing system with respect to the Equity Share Capital;

“U.S.\$” and “U.S. dollars” means the lawful currency of the United States of America;

the “Value” of any Exchange Property on any day means the aggregate of:

- (i) the value of publicly traded securities included in such Exchange Property, which shall be deemed to be the Volume Weighted Average Price of such securities on such day, provided that if such day is not a day on which the Relevant Exchange is open for business or, if there is no such Volume Weighted Average Price, then the value of such publicly traded securities shall be the Volume Weighted Average Price on the immediately preceding such day, converted (if necessary) into U.S. dollars at the Screen Rate on such day; and
- (ii) the value of all other assets (other than cash) and of publicly traded securities for which a value cannot be determined pursuant to (i) above included in such Exchange Property, which shall be deemed to be the value on such day (converted (if necessary) into U.S. dollars as aforesaid) as certified by an Independent Adviser; and
- (iii) the value of cash shall be deemed to be the amount thereof (converted (if necessary) into U.S. dollars as aforesaid),

provided that (A) if on any day any such publicly traded securities are quoted or traded on the Relevant Exchange cum any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to these Conditions (including in respect thereof pursuant to Condition 7(b)(iii) or Condition 7(b)(ii) in the absence of a Cash Election) on exercising Exchange Rights on the last day permitted pursuant to these Conditions (disregarding for this purpose any Cash Election), then the value of any such assets or publicly traded securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash and (B) if on any day any such publicly traded securities are quoted or traded on the Relevant Exchange ex any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above do not have the benefit of, or are not entitled to, or do not carry the right to, any dividend or other entitlement, in any such case which a Bondholder would be entitled to pursuant to these Conditions (or in respect of which the relevant Bondholder would have been entitled to receive any amount pursuant to Condition 7(b)(iii) or which would have been taken into account for the purposes of Condition 7(b)(ii) in the absence of a Cash Election) on exercising Exchange Rights on the last day permitted pursuant to these Conditions (disregarding for this purpose any Cash Election), then the value of any such assets or publicly traded securities on such day shall be increased by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Adviser) of any entitlement or dividend where that is other than cash less the amount (if any) in respect of any such dividend, entitlement or, as the case may be, value to which the Bondholder is otherwise entitled pursuant to any other provision of these Conditions;

“Volume Weighted Average Price” means, in respect of any Trading Day:

- (i) in the case of CP ALL Shares, volume weighted average price of a CP ALL Share published by or derived from Bloomberg page “CPALL TH” in respect of such Trading Day; and
- (ii) in the case of any other Relevant Security, shares, options, warrants or other rights, volume weighted average price published by or derived from the relevant Bloomberg page in respect of such Trading Day or, if not able to be so determined, the volume weighted average price as obtained or derived from the Relevant Exchange on that Trading Day,

or, in any such case, such other source as shall be determined to be appropriate by an Independent Adviser on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a CP ALL Share or, as the case may be, any other Relevant Security, share, option, warrant or other right in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined;

“Voting Rights” means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect members of the board of directors or other governing body of the relevant entity.

For the purposes of the definition of Capital Distribution, “Fair Market Value” (subject as provided in paragraph (a) of the definition of “Dividend” and in the definition of “Fair Market Value”) shall be determined as at the Effective Date in respect of the relevant Dividend.

In making any calculation of a Capital Distribution, such adjustments (if any) shall be made, including in respect of the CP ALL Reference Amount or, as the case may be, the Equity Share Reference Amount, as an Independent Adviser may consider appropriate to reflect any Sub-division, Consolidation or Redenomination of the CP ALL Shares or any other Equity Share Capital or any change in the number of CP ALL Shares or shares comprising the relevant Equity Share Capital, as the case may be, in issue in relation to any fiscal year, or any change in the fiscal year of CP ALL or, as the case may be, any Relevant Company, or any adjustment to the Exchange Property.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

6 Interest

(a) Interest Rate

The Bonds bear interest from (and including) the Closing Date at the rate of 0.50 per cent. per annum of the principal amount thereof and payable semi-annually in arrear in equal instalments on 15 January and 15 July in each year (each an “Interest Payment Date”), the first Interest Payment Date being 15 July 2014 and the amount of interest payable on each Interest Payment Date will amount to U.S.\$500 per U.S.\$200,000 principal amount of the Bonds.

The period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “Interest Period”.

If interest is required to be calculated for a period of less than a full Interest Period, it shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(b) Accrual of Interest

Each Bond will cease to bear interest (i) where the Exchange Right shall have been exercised in respect thereof, from, and including, the Interest Payment Date immediately preceding the relevant Exchange Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(c)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 11 or Condition 14, from, and including, the due date for redemption or repayment unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused, in which event such Bond shall continue to bear interest at the rate specified in Condition 12(g).

(c) Interest upon Exchange prior to Early Redemption

If:

- (i) any notice requiring the redemption of any Bonds is given pursuant to Condition 11(b) on or after (or within 15 days before) the record date or other due date for

the establishment of entitlement in respect of any dividend, distribution or interest payable in respect of the CP ALL Shares (or other Relevant Securities comprising on such date more than one-quarter by Value of the Exchange Property);

- (ii) such notice specifies a date for redemption falling on or before (or within 14 days after) the Interest Payment Date next following such record date; and
- (iii) the Exchange Date in respect of any Bond which is the subject of any such notice (a "Relevant Bond") falls after such record date or other due date for the establishment of entitlement and on or before the Interest Payment Date next following such record date or other due date for the establishment of entitlement,

then interest shall accrue on each Relevant Bond from, and including, the preceding Interest Payment Date (or, if the relevant Exchange Date falls on or before the first Interest Payment Date, from, and including, the Closing Date) to, but excluding, the relevant Exchange Date.

Any such interest shall be paid by the Issuer not later than 14 days after the relevant Exchange Date by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with instructions given by the relevant Bondholder in the relevant Exchange Notice.

(d) Additional Interest Amounts

The Issuer shall be entitled, at its option, to make a pass through election (a "Pass Through Election") in respect of any Cash Dividend component of a Capital Distribution in respect of the CP ALL Shares or any other Equity Share Capital comprised in the Exchange Property (a "Relevant Cash Dividend") by giving notice (a "Pass Through Election Notice") to the Bondholders pursuant to Condition 19 to the Trustee by not later than 10 days prior to the ex-date in respect of the Relevant Cash Dividend.

If the Issuer shall make a Pass Through Election in respect of any Relevant Cash Dividend, then:

- (i) no adjustment shall be made in respect thereof pursuant to Condition 8(b)(iii)(B); and
- (ii) to the extent that all or part of such Relevant Cash Dividend shall constitute a Capital Distribution, the Issuer shall pay an additional interest amount (an "Additional Interest Amount") in respect of each U.S.\$200,000 principal amount of Bonds calculated in accordance with the following formula:

$$\text{AIA} = \text{A/B}$$

where

AIA is the Additional Interest Amount

A is the aggregate amount of the Capital Distribution in respect of the CP ALL Shares or, as the case may be, the relevant Equity Share Capital comprised in the Exchange Property (converted, if necessary, into U.S. dollars at the Screen Rate prevailing on the date of receipt of the Relevant Cash Dividend);

- B is the aggregate principal amount of Bonds outstanding on the ex-date in respect of the Relevant Cash Dividend divided by U.S.\$200,000; and
- “ex-date” means the first date on which the CP ALL Shares or, as the case may be, the relevant Equity Share Capital are traded ex-the Relevant Cash Dividend on the Relevant Exchange (or, if not listed, quoted or dealt in on any stock exchange or securities market, the date for establishing entitlement in respect of the Relevant Cash Dividend).

Where a Pass Through Election shall have been made, an Additional Interest Amount shall be paid in respect of each Bond where the ex-date in respect of the Relevant Cash Dividend falls on or prior to the Final Maturity Date or any earlier due date for redemption of such Bond and, in the case of a Bond in respect of which Exchange Rights are or shall have been exercised, where the ex-date in respect of the Relevant Cash Dividend falls on or prior to the relevant Exchange Date, unless in such case the record date or other due date for establishment in respect of the Relevant Cash Dividend falls on or after such Exchange Date with the result that the relevant Bondholder shall be entitled to receive such Relevant Cash Dividend in respect of the CP ALL Shares or relevant Equity Share Capital to be delivered as part of the Exchange Property by virtue of Condition 8(b)(iii).

Additional Interest Amounts shall be paid to Bondholders in the currency in which the Relevant Cash Dividend is paid by not later than 10 business days in the principal financial centre of the relevant currency following the date on which the Relevant Cash Dividend is paid to holders of the relevant Equity Shares.

For the avoidance of doubt, any payment of an Additional Interest Amount shall be calculated by reference to the net amount of the Relevant Cash Dividend actually received.

References to the date of payment of a Relevant Cash Dividend shall be to the date of payment as determined and/or announced by CP ALL (in respect of CP ALL Shares) or by the relevant entity (in the case of any other Equity Share Capital comprised in the Exchange Property).

7 Exchange Right

(a) Exchange Period, Exchange Rights and Cash Election

- (i) Subject to the right of the Issuer to make a Cash Election, each Bondholder shall have the right to exchange all or any of its Bonds at any time during the Exchange Period referred to below for, a *pro rata* share of the Exchange Property as at the relevant Exchange Date. Such exchange of a Bond for a *pro rata* share of the Exchange Property (or, as the case may be, for payment of the Cash Alternative Amount) is referred to herein as an “exchange” and the right of a Bondholder to require an exchange is herein referred to as the “Exchange Right”. Upon exercise of Exchange Rights, the Issuer shall (subject to the right of the Issuer to make a Cash Election) deliver or procure the delivery of the relevant *pro rata* share of the Exchange Property as provided in this Condition.
- (ii) Subject to applicable law and as provided in Condition 7(a)(iii) and save as provided in these Conditions, the Exchange Right relating to any Bond may be exercised by the holder thereof, at any time during the period from (and including) 25 February 2014 up to (and including) the close of business (at the

place where the Bond is deposited for exchange) on the date which falls 7 days prior to the Final Maturity Date or if such Bond is to be redeemed pursuant to Condition 11(b) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date which falls 7 days prior to the date fixed for redemption thereof, unless there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Exchange Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment has been received by the Trustee or the Principal Paying and Exchange Agent and notice thereof has been duly given to the Bondholders in accordance with Condition 19 or, if earlier, the Final Maturity Date, provided that, in each case, if such final date for the exercise of Exchange Rights is not a business day at the place aforesaid, then the period for exercise of Exchange Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Exchange Rights may not be exercised in respect of a Bond where the holder shall have exercised its right to require redemption pursuant to Condition 11(c) unless there is default by the Issuer in redeeming the relevant Bonds.

- (iii) If the Trustee shall give notice to the Issuer declaring the Bonds to be immediately due and repayable pursuant to Condition 14, notice of such fact shall forthwith be given by the Issuer to the Bondholders in accordance with Condition 19 and each Bondholder shall (whether or not the Exchange Right attaching to its Bond is then otherwise exercisable) be entitled, at any time after the date on which the Bonds become so due and repayable (the "Due Date") until the date being the last day of the period of 14 days after the Due Date (but not thereafter) (the "Default Period"), to elect (by delivering in accordance with the provisions of this Condition 7 a duly signed and completed Exchange Notice, together with the relevant Bond, to the specified office of any Paying and Exchange Agent) in lieu of having his Bond repaid, to exercise the Exchange Right in respect of such Bond as at the Due Date (and references to the Exchange Date shall be construed as being the Due Date), save that no such election may be made in respect of a Bond which has been presented for payment on or after the Due Date (provided that payment in full of all amounts then due on the relevant Bond is made upon such presentation). If the holder of any Bond exercises the Exchange Rights attaching to its Bond during the Default Period, such holder will be entitled to receive from the Issuer, in addition to the relevant *pro rata* share of the Exchange Property, the Shortfall Amount (if any) and accrued and unpaid interest on such Bond to the Due Date, which the Issuer shall pay by not later than the Settlement Date by transfer to a U.S.\$ account maintained with a bank in New York City in accordance with instructions contained in the relevant Exchange Notice. Subject as provided in this Condition 7, Exchange Rights shall lapse in the event that the Trustee shall give notice to the Issuer that the Bonds are immediately due and repayable.

In this Condition 7(a)(iii), "Shortfall Amount" means, in respect of each Bond, an amount in cash equal to the amount (if any) by which the Early Redemption Amount of such Bond exceeds the Value (on the Due Date) of the *pro rata* share of the Exchange Property in respect of such Bond.

- (iv) The period during which Bondholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the "Exchange Period".

- (v) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, upon a due exercise of Exchange Rights the relevant Bondholder shall be entitled to receive a *pro rata* share of the Exchange Property calculated as at the relevant Exchange Date.
- (vi) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fraction and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.
- (vii) If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered and any sum payable to that Bondholder (including, where applicable, any Cash Alternative Amount) shall be calculated on the basis of the aggregate principal amount of such Bonds.

(b) Procedure for exercise of Exchange Rights

- (i) Exchange Rights may be exercised by a Bondholder during the Exchange Period by delivering the relevant Bond to the specified office of any Paying and Exchange Agent, during its usual business hours, accompanied by a duly completed and signed notice of exchange (an “Exchange Notice”) in the form (for the time being current) obtainable from any Paying and Exchange Agent.

Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying and Exchange Agent to whom the relevant Exchange Notice is delivered is located.

If such delivery is made after the end of normal business hours or on a day which is not a business day in the place at the specified office of the relevant Paying and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

An Exchange Notice, once delivered, shall be irrevocable.

Any determination as to whether any Exchange Notice has been duly completed and properly delivered shall be made by the relevant Paying and Exchange Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Paying and Exchange Agents and the relevant Bondholder.

A Bondholder exercising Exchange Rights will be required to certify in the relevant Exchange Notice (a “U.S. Certification”) that such exchange is being made outside of the United States (as such term is defined in Regulation S (“Regulation S”) under the United States Securities Act of 1933) and it and any person for whom it is acquiring Exchange Property is not a U.S. person (as such term is defined in Regulation S) and it is not acting as agent for, or on behalf of, a U.S. person. If such U.S. Certification is not provided, the relevant Exchange Notice shall be void.

Exchange Rights may only be exercised in respect of an authorised denomination. Where Exchange Rights are exercised in respect of part only of a Bond, the old Bond shall be cancelled and a new Bond for the balance thereof

shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within 10 business days, in the place of the specified office of the Registrar, following the relevant Exchange Date deliver such new Bond to the relevant Bondholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary mail, at the expense of the Bondholder) mail the new Bond by uninsured mail to such address as the Bondholder may request.

The exchange date in respect of a Bond (the "Exchange Date") in respect of which the Exchange Right shall have been exercised by a Bondholder will be the seventh Bangkok business day immediately following the date of the delivery of the Exchange Notice and the relevant Bond as provided in this Condition 7(b).

The Issuer will pay any stamp, registration, documentary, transfer or other similar taxes or duties (including penalties) arising on the transfer or delivery of any Exchange Property to or to the order of a Bondholder pursuant to the exercise of Exchange Rights which are payable or imposed in the Kingdom of Thailand, the British Virgin Islands, the United Kingdom and the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register) on which title to and transfers of such securities are recorded or maintained) is located) or imposed or payable by virtue of the place of incorporation, domicile or tax residence of the issuer of any Relevant Securities comprised in the relevant *pro rata* share of the Exchange Property, and all other costs, fees and expenses in connection with the transfer or delivery of Exchange Property on exercise of Exchange Rights, including the costs, fees and expenses of any custodian, depository, agent or other entity facilitating the relevant transfer or delivery (such taxes, duties, costs, fees and expenses described in this paragraph, the "Exchange Expenses").

Subject to the above, a Bondholder exercising Exchange Rights must pay directly to the relevant authorities any other taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising in any jurisdiction not mentioned above on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights.

Neither the Trustee nor any Paying and Exchange Agent shall be responsible for determining whether any Exchange Expenses are payable or the amount thereof and they shall not be responsible or liable for any failure by the Issuer to pay such Exchange Expenses.

If the Issuer shall fail to pay any Exchange Expenses for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse each such Bondholder in respect of the payment of such Exchange Expenses and any penalties payable in respect thereof.

Each Bondholder must pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Exchange Rights by it.

- (ii) Other than where a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the Issuer shall, as soon as practicable, and in any event not later than the Settlement Date:
- (1) in respect of CP ALL Shares comprising the relevant *pro rata* share of the Exchange Property, effect delivery of such CP ALL Shares (or, at the election of the Issuer, NVDRs) through the TSD (or its successor) to the account of the exchanging Bondholder (or its nominee) with a custodian or broker in Thailand in accordance with applicable laws and regulations to the person designated for the purpose in the relevant Exchange Notice;
 - (2) procure that Relevant Securities (other than CP ALL Shares) comprising the relevant *pro rata* share of the Exchange Property to be delivered on exercise of Exchange Rights are transferred into such name as the Bondholder shall direct pursuant to the Exchange Notice and shall procure that forms of transfer and certificates (if certificates for the Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto), to such address, subject to and in accordance with applicable laws and regulations, as the Bondholder may request (as specified in the relevant Exchange Notice); and
 - (3) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and that payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into U.S. dollars at the Screen Rate on the relevant Exchange Date) shall be made, in each case in accordance with directions given by the relevant Bondholder in the Exchange Notice.

The obligation of the Issuer to deliver any CP ALL Shares on exercise of Exchange Rights, may at the discretion of the Issuer, be satisfied by delivery of NVDRs. Notwithstanding the above, in the event that the Issuer delivers a certificate to the Trustee signed by two Authorised Officers to the effect that the TSD (or, where the Exchange Property is comprised of Relevant Securities other than CP ALL Shares and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Exchange Date to (but excluding) the Settlement Date, then the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the date for such delivery shall be the later of the Settlement Date and the earliest practicable date on which the relevant Exchange Property may be delivered by or through the TSD or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of any property comprising Exchange Property following exercise of Exchange Rights arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Exchange Notice.

Notwithstanding the above, if, after the relevant Exchange Date, the Exchange Property has changed in whole or in part as a result of an Offer or as a result of the compulsory acquisition or 'squeeze out' of any Equity Share Capital comprising Exchange Property, in each case as provided in Condition 9, then the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the time for such delivery shall be the longer of such period set out above and the day falling 10 Bangkok business days after the Offer Consideration Date or, as the case may be, the day falling 10 Bangkok business days following the date on which the consideration pursuant to such compulsory acquisition or 'squeeze out' is received by the Issuer.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) to a Bondholder is required, such transfer or delivery would, as certified to the Trustee by two Authorised Officers of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will notify the relevant Bondholder in accordance with Condition 19 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the Issuer will make a cash payment to the relevant Bondholder equal to the aggregate of the Realisation Proceeds in respect of the relevant Exchange Property in lieu of the delivery of such Exchange Property to such Bondholder. The Issuer will pay any such amount to the relevant Bondholder not later than 10 New York business days after the relevant Settlement Date.

Without prejudice to Condition 7(c), if:

- (A) the Exchange Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than CP ALL Shares or other securities in registered form ("Registered Securities") in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change is effective; or
- (B) the Exchange Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Sub-division, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property but before the date on which any resulting adjustment of the Exchange Property becomes effective in accordance with Condition 8(b); or
- (C) the Exchange Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Sub-division, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement and the relevant Bondholder would not otherwise receive the relevant entitlement but the Issuer has received or is entitled to receive such entitlement,

then the relevant Bondholder (other than where a Cash Election applies to the relevant exercise of Exchange Rights and in respect of the Exchange Property to which such Cash Election relates, in which case the provisions of Condition

7(c)(ii) shall apply, and), subject as provided in Condition 7(b)(iv), shall be entitled to receive, in respect of the exercise of the relevant Exchange Rights, such *pro rata* amount or, as the case may be, further *pro rata* amount of the Exchange Property (“Additional Exchange Property”) as would have been receivable had the relevant Exchange Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date, and such Additional Exchange Property shall be delivered to the relevant Bondholder in accordance with instructions contained in the relevant Exchange Notice as soon as practicable following the relevant adjustment to the Exchange Property or the receipt by the Issuer of the relevant Additional Exchange Property.

- (iii) Unless a Cash Election is made by the Issuer and in respect of the Exchange Property to which such Cash Election relates, the relevant Bondholder (or the person designated in the relevant Exchange Notice) will be the owner of the *pro rata* share of the Exchange Property to be delivered upon exchange with effect from (and including) the relevant Exchange Date and will be entitled to all rights, distributions or payments in respect of such Exchange Property from (and including) such Exchange Date and, in respect of any related Additional Exchange Property, will be entitled to all rights, distributions or payments in respect of such Additional Exchange Property from (and including) such Exchange Date.

Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends or other income thereon or other distributions or rights in respect thereof, declared, paid or made by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date.

Exchange Property (and, where appropriate, any Additional Exchange Property) delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for or in respect of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date (or any other date from which the relevant Bondholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange Property) with the effect that the relevant Bondholder is not entitled to such dividend, interest or other income, payment or distribution of rights, the Issuer will (unless it is able to confer on or deliver to the relevant Bondholder an entitlement to receive such dividend, interest or other income, payment or distribution or rights):

- (a) (in the case of dividends, interest or other income, payment or distributions or rights to be paid or made in cash) pay, or procure the payment to, the exchanging Bondholder in lieu of such dividend, interest or other income or distribution or rights, an amount equal thereto, converted if necessary into U.S. dollars at the Screen Rate on the date of receipt thereof by the

Issuer (the “Equivalent Amount”). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Bondholder by not later than 10 New York business days after payment is made of the dividend, interest or other income, payment or distribution or rights; and

- (b) (in the case of dividends, or other income or distributions or rights to be satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Bondholder not later than 10 New York business days after the receipt by the Issuer of such dividend or other income or distribution or rights. If, at any time when the delivery of any such dividend or other income or distribution or rights is required, delivery would, as certified to the Trustee by two Authorised Officers of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment equal to the aggregate Realisation Proceeds of such dividend or other income or distribution or rights, converted, if necessary into U.S. dollars at the Screen Rate on the date of receipt by the Issuer of the Realisation Proceeds. The Issuer will pay any such amount to the relevant Bondholders not later than 10 New York business days after the receipt by the Issuer of such dividend or other income or distribution or rights.

For the purposes of the above, if there is an option to receive the relevant entitlement in the form of a cash amount or otherwise than in cash, the entitlement shall be treated as being paid or made in cash, and accordingly the provision of (a) above shall apply.

- (iv) If, in respect of any dividend, interest or other income, payment or distributions or rights to be paid or made in cash, the provision of Condition 7(b) (iii) require an Equivalent Amount to be paid to a Bondholder and in respect of such dividend, interest or other income, payment or distributions or rights the provisions of Condition 7(b) (ii)(C) require Additional Exchange Property to be delivered to such Bondholder, then the provisions of Condition 7(b) (iii) shall prevail and the relevant Bondholder shall be entitled to receive the relevant Equivalent Amount, and Condition 7(b)(ii)(C) shall not apply to such dividend, interest or other income, payment or distributions or rights.
- (v) Upon exercise of Exchange Rights, a Bondholder shall, in the relevant Exchange Notice, specify a U.S. dollars account with a bank in New York City to which any cash amount payable on or in respect of the exercise of Exchange Rights by that Bondholder shall be credited and the Issuer shall pay such sum to the relevant Bondholder in accordance with any such directions.

(c) Cash Election

- (i) Upon the exercise of Exchange Rights by a Bondholder, the Issuer may make an election (a “Cash Election”) by giving notice (a “Cash Election Notice”) to the relevant Bondholders by not later than the date (the “Cash Election Exercise Date”) falling seven business days in Bangkok and London following the relevant Exchange Date, to the address (or, if a fax number or email address is provided in the relevant Exchange Notice, that fax number or email address) specified for that purpose in the relevant Exchange Notice, with a copy to the Trustee and Principal Paying and Exchange Agent, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds, in whole or in part, by making payment, or procuring that payment is made, to the relevant Bondholder of the

Cash Alternative Amount, together with any other amounts payable by the Issuer to such Bondholder pursuant to these Conditions in respect of, or relating to, the relevant exercise of Exchange Rights, including any interest payable pursuant to Condition 6(c) or Condition 7(a)(iii).

A Cash Election may be made in respect of the whole or any part of the Exchange Property that would otherwise be deliverable in respect of the relevant exercise of Exchange Rights. The relevant Cash Election Notice shall specify whether the Cash Election is in respect of the whole of such Exchange Property or any part thereof, and if in respect of part, shall specify the relevant part.

No Cash Election may be made by the Issuer in respect of Exchange Rights exercised on or after the Due Date.

A Cash Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than three New York business days following the last day of the Cash Alternative Calculation Period (the "Cash Alternative Payment Date") by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with instructions contained in the relevant Exchange Notice.

"Cash Alternative Amount" means a sum in U.S. dollars equal to the average of the Value (converted if necessary into U.S. dollars at the Screen Rate on the Trading Day prior to the relevant Cash Alternative Payment Date) on each Trading Day in the Cash Alternative Calculation Period of the relevant *pro rata* share of the Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds.

"Cash Alternative Calculation Period" means the period of five consecutive Trading Days commencing on the third Trading Day immediately following the Cash Election Exercise Date.

- (ii) If a Bondholder would otherwise have been entitled to receive, in respect of the exercise of Exchange Rights, any Additional Exchange Property pursuant to Condition 7(b)(ii) in circumstances where a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall, in lieu of delivering such Additional Exchange Property, pay to the relevant Bondholder an amount (the "Further Amount") equal to the Value of such Additional Exchange Property as at the date on which the relevant change in the composition of the Exchange Property is or would be effective (the "Change Date"), and such Further Amount shall be paid by transfer to a U.S. dollar account maintained with a bank in New York City in accordance with the instructions given by the Bondholder in the relevant Exchange Notice by not later than the latest of (a) the date falling seven Trading Days after the Change Date (or if that is not a New York business day, the next following New York business day) and (b) the relevant Cash Alternative Payment Date in accordance with the instructions given by the relevant Bondholder in the relevant Exchange Notice.

8 The Exchange Property

(a) Initial Exchange Property

The “Exchange Property” shall initially comprise 180,000,000 CP ALL Shares and shall include such other Relevant Securities and other property (including any cash amounts) arising out of or derived or resulting therefrom as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend other than to the extent comprising a Capital Distribution and excluding any other income and other benefits, rights and entitlements derived from the Exchange Property except to the extent forming or to form part of or giving rise to an adjustment to the Exchange Property pursuant to these Conditions.

If the Issuer shall make a Pass Through Election, no part of the Relevant Cash Dividend shall be added to or form part of the Exchange Property.

On the exercise of Exchange Rights, Bondholders will initially be entitled to receive 123,966.94 CP ALL Shares for each U.S.\$200,000 principal amount of Bonds (equivalent to a notional exchange price of THB53.29 per CP ALL Share, at the exchange rate U.S.\$1 = THB33.03) subject to adjustment pursuant to these Conditions.

All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered with full title guarantee and free from any and all security interests or other adverse interests.

(b) Adjustments to the Exchange Property

(i) Sub-division, Consolidation or Redenomination

If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed (“Sub-division, Consolidation or Redenomination”) then the securities resulting from such Consolidation, Sub-division or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property upon receipt by the Issuer of such securities.

(ii) Rights Issues

If further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) (a “Rights Issue”), then the Issuer shall notify the Trustee and to the Bondholders in accordance with Condition 19, by not later than the latest day for accepting or taking up any such rights (the “Election Date”), the Issuer may elect either:

- (A) (provided that it is possible to sell such rights or transferable subscription rights in respect thereof (“TSRs”) under applicable law and/or the terms of the Rights Issue) to procure on an arm’s length basis in good faith, sale by a broker or independent investment bank selected by the Issuer and notified to the Trustee of sufficient rights or TSRs to enable the whole of

the balance of such rights to be taken up and procure the application of the proceeds of sale, after the deduction of the duties, costs and expenses of such sale, in the taking up of such rights (with any excess proceeds of sale being added to and forming part of the Exchange Property); or

- (B) to add to the Exchange Property such number of CP ALL Shares or other securities or options, warrants or rights as would have been subscribed or purchased if sufficient rights or TSRs had been sold on an arm's length basis in good faith to enable (after the deduction of the taxes, duties, costs and expenses of such sale) the whole of the balance of such rights to be taken up together with an amount equal to what would have been any such excess proceeds of sale as aforesaid; or
- (C) to use any part of the Exchange Property comprising cash to take up such rights and/or, on an arm's length basis, sell sufficient Relevant Securities to enable (after the deduction of the taxes, duties, costs and expenses of such sale) the whole of the balance of such rights to be taken up, with, in any such case, any excess proceeds of sale being added to and forming part of the Exchange Property.

In the absence of any such election, being notified to the Trustee and to the Bondholders in accordance with Condition 19 by not later than the Election Date, paragraph (B) shall apply.

The timing of any sale of any relevant rights or Exchange Property (as the case may be) shall be at the Issuer's discretion and the Issuer shall not be liable to the Bondholders for any loss incurred as a result of such transactions. Any Relevant Securities or other securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall upon receipt by the Issuer be added to and form part of the Exchange Property.

(iii) Bonus Issues, Capital Distributions, Reorganisations and Payments

If any of the following events occurs (each a "Relevant Event"):

- (A) Relevant Securities or other securities are issued credited as fully paid to holders of Relevant Securities comprised in the Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities (other than where the relevant event is determined to constitute a Cash Dividend pursuant to paragraph (a) or (b) of the definition of Dividend which such holders would or could otherwise have received); or
- (B) any Capital Distribution is paid or made in respect of any CP ALL Shares or Equity Share Capital comprised in the Exchange Property (other than any Cash Dividend in respect of which the Issuer makes a Pass Through Election as provided in Condition 6(d)); or
- (C) a Relevant Company purchases or redeems any Relevant Securities comprised in Exchange Property; or
- (D) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or

dissolution), any further Relevant Securities or other securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities or other securities comprised in the Exchange Property, or

- (E) any cash amount is paid or distributed in whatever manner (including by way of payment of interest, distribution, Dividend, repayment of principal or capital or redemption monies) or any securities or other property is distributed, issued, transferred or delivered in whatever manner, in each case in respect of any Relevant Securities or other property or assets (other than CP ALL Shares or Equity Share Capital) comprised in the Exchange Property,

then the further Relevant Securities, securities or other property or assets (including cash amounts) received in relation to the Relevant Event, so far as attributable to the Exchange Property or, as the case may be, the relevant Capital Distribution in respect of the CP ALL Shares or Equity Share Capital comprised in Exchange Property, shall upon receipt by the Issuer be included as part of the Exchange Property (and, if applicable, applied in accordance with Condition 8(e)), subject to the provisions of Condition 8(g).

(c) *Notice of Change in Exchange Property*

The Issuer shall give notice to the Trustee and to the Bondholders in accordance with Condition 19 and to the Principal Paying and Exchange Agent and the SGX-ST (so long as the Bonds are listed on the SGX-ST) of any change in composition of the Exchange Property as soon as reasonably practicable following such change, and such notice shall include such details of the Exchange Property to which the holder of U.S.\$200,000 principal amount of Bonds would be entitled upon exercise of the Exchange Right in respect of such Bond following such change.

(d) *Release from the Exchange Property*

Upon delivery of Exchange Property to the relevant Bondholder and/or payment of the Cash Alternative Amount or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

(e) *Purchase of Equity Securities etc.*

If at any time Equity Share Capital is comprised in the Exchange Property and any cash amount or securities or other property is comprised in or is to be added to and form part of the Exchange Property pursuant to these Conditions (other than (i) any additional Equity Share Capital of a class already comprised in the Exchange Property or (ii) as included in the Offer Consideration under Condition 9 or (iii) where the cash amount or securities or other property has not been received but is deemed to form part of the Exchange Property pursuant to Condition 8(g)) before the Exchange Rights lapse, then such cash amount shall be applied, and such securities or other property shall be sold by the Issuer and the proceeds of such sale shall be applied, (in each case net of any taxes, duties, costs and expenses incurred in connection with such acquisition or sale) by the Issuer as soon as reasonably practicable (by reference to when it is actually received rather than when it is deemed to have been received) and to the extent possible in purchasing additional Equity Share Capital of the class then comprised in the Exchange Property (and

where at the relevant time the Exchange Property comprises more than one class of Equity Share Capital, in purchasing, on a *pro rata* basis further Equity Share Capital of each such class), save where such purchase of additional Equity Share Capital would result in the Issuer, the Sponsor or any Subsidiary of the Sponsor being subject to a mandatory tender offer obligation under applicable laws in which case the relevant cash amount shall be added to and form part of the Exchange Property. The timing of such sales and purchases shall be at the Issuer's discretion and the Issuer shall not be liable to the Bondholders for any loss incurred as a result of such transactions. Any such additional Equity Share Capital shall be added to and form part of the Exchange Property.

No interest shall accrue on or in respect of any cash amount forming part of the Exchange Property.

(f) Voting Rights etc.

Bondholders and the Trustee shall have no voting rights in respect of the CP ALL Shares or any other part of the Exchange Property prior to the receipt by the relevant Bondholder (or as it may direct) of the CP ALL Shares or such other part of the Exchange Property upon exercise of Exchange Rights.

Where a Dividend in cash is announced by a Relevant Company in respect of Equity Shares which may, at the election of a holder or holders of such Relevant Securities, be satisfied by the issue or delivery of Relevant Securities or other property or assets or where a capitalisation of profits or reserves is announced which may, at the election of a holder or holders of such Equity Shares, be satisfied by the payment of cash, the Issuer shall be entitled to make such election (or elect to take any default option by making no election) as it may determine in its sole discretion in respect of any such Dividend or capitalisation, provided that notice of such election shall be given to the Trustee by not later than the last day on which a holder or holders of the Relevant Securities would be required or entitled to make the relevant election.

In exercising any voting rights attaching to the CP ALL Shares and other Relevant Securities that it may have or making any such election to which it may be entitled, neither the Issuer nor the Sponsor is obliged to take account of the interests of the Bondholders and accordingly the Issuer or the Sponsor may act in a manner in connection therewith that is contrary to the interests of the Bondholders.

(g) Maintenance of Exchange Property

Initially 180,000,000 CP ALL Shares will be deposited in the Custody Account, but such shares and/or other Equity Share Capital may be lent to Bondholders pursuant to the Stock Lending Agreement, and the Custody Account is not secured. At any time the Issuer may or may not be the owner of the whole or any part of CP ALL Shares or other property comprising Exchange Property from time to time as a result of CP ALL Shares and/or other Equity Share Capital being lent pursuant to the Stock Lending Agreement. The composition of the Exchange Property may also change as a result of the operation of the Conditions.

The arrangements described herein in relation to the Exchange Property do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.

Accordingly, in the event that the Issuer at any time holds any CP ALL Shares or other property comprising Exchange Property from time to time and such person is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of such person available on a pari passu basis to all unsecured creditors of such person.

- (A) *Ownership of Exchange Property:* At any particular time, the Issuer may or may not hold or be the beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. However, these Conditions shall be read and construed as though at all times the Issuer were the holder and beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. Accordingly, subject as provided in (B), for the purposes of determining whether and to what extent any adjustment should be made to the Exchange Property at any time, for the purposes of these Conditions, the Issuer shall be deemed to be entitled to receive such further or other CP ALL Shares, Relevant Securities, securities, property or assets including cash and/or consideration on the date the Issuer would have been entitled to receive the same, and to make any relevant elections in respect thereof or relating thereto, as it would have been entitled to receive and or make had it at all relevant times been the holder and beneficial owner of sufficient Exchange Property to satisfy exercise of Exchange Rights or otherwise required to be delivered pursuant to these Conditions in respect of all outstanding Bonds, and references in these Conditions to the Exchange Property being adjusted shall be construed accordingly. In particular (and without limitation):
- (i) *Rights Issues:* in the case of a Rights Issue, the Exchange Property shall be increased by the Relevant Securities or other securities or options, warrants or rights and any excess proceeds of sale which would have been added to the Exchange Property had the Issuer been the holder and beneficial owner of the Relevant Securities or other securities comprising the Exchange Property at all relevant times and complied with its obligations under Condition 8(b)(ii) in relation thereto;
 - (ii) *Purchase of Equity Securities etc.:* If pursuant to Condition 8(e) the Issuer is required to purchase additional Equity Share Capital and at the relevant time the Issuer is not the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds, such additional Equity Share Capital as could have been purchased with the relevant amount of cash or, as the case may be, the net proceeds of sale of the relevant securities or other property if the Issuer had been the holder or beneficial owner of such sufficient Exchange Property shall be added to the Exchange Property;
 - (iii) *Dividends:* for the purposes of proviso (a) to the definition of “Dividend” and Condition 8(f), if and to the extent that the Issuer does not own the relevant Equity Shares at the relevant time, then the Issuer shall be entitled to specify by notice to the Trustee and the Bondholders in accordance with Condition 19 (by not later than the last day on which a holder of the relevant Equity Shares would be required to make the relevant election referred to in that definition) that it is to be treated as if it had made such election as it shall specify in such notice, failing which the Issuer shall be treated as receiving whatever the default option is for

Shareholders making no election and the Dividend or capitalisation shall be treated as a Cash Dividend of either (i) the Fair Market Value on the Effective Date in respect of the relevant Dividend or capitalisation of such cash amount and/or (ii) the Fair Market Value, on the Effective Date in respect of the Relevant Dividend or capitalisation, of such Relevant Securities or other property or assets, as the case may be;

- (iv) *Realisation Proceeds*: If at any time when the Realisation Proceeds of any property are to be determined the Issuer is not at the relevant time the holder and beneficial owner of sufficient Exchange Property to make the relevant sale or disposal, the Realisation Proceeds in respect thereof shall be calculated as if the Issuer had at the relevant time been the holder and beneficial owner of sufficient Exchange Property and had sold the relevant property as provided in these Conditions;
- (v) *Sale of Exchange Property*: where any of the provisions of the Trust Deed or these Conditions require the Issuer to sell any property comprising Exchange Property or deriving therefrom or received in respect thereof, then such provisions shall operate as if the Issuer had sold the same as provided in these Conditions, and an amount equal to that which would have been the net proceeds of such sale and required to be applied as provided in these Conditions (whether in the purchase of other assets or securities to comprise or be added to the Exchange Property, in payment to Bondholders or otherwise) shall be or, as the case may be, shall be treated as being so applied by the Issuer, with any amount representing what would have been the balance of proceeds of any such sale being treated as being applied as so provided;
- (vi) *Time or date of receipt*: any reference in the Trust Deed or these Conditions to the time or date of receipt by the Issuer of any property or assets shall be construed as a reference to the time at, or date on, which the Issuer would otherwise have received or would have first been entitled to receive the same had it been the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds at all relevant times;
- (vii) *Delivery of Exchange Property*: any provisions of the Trust Deed or these Conditions in respect of the obligation of the Issuer to deliver or distribute all or any part of the Exchange Property or other property or assets (including cash) shall operate as if at all relevant times the Issuer was the holder and beneficial owner of sufficient Exchange Property to satisfy Exchange Rights and all other obligations to deliver Exchange Property pursuant to these Conditions in respect of all outstanding Bonds at all relevant times, and the Issuer shall be required to deliver or distribute the same accordingly; and
- (viii) *Offers and Schemes*: for the purposes of Condition 9, the Issuer shall be entitled by notice to the Trustee and the Bondholders in accordance with Condition 19 to elect to be treated as accepting (including as to any alternative consideration) or (unless the Relevant Securities are subject to compulsory acquisition or 'squeeze out') rejecting such Offer as if it owned the Relevant Securities the subject of such Offer, but the Issuer may not

elect to be so treated in respect of such part of the Exchange Property which would be deliverable to Bondholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period and subject to the provisions of Condition 9.

- (B) *Purchase or Redemption of Relevant Securities*: With respect to Condition 8(b)(iii)(C), if the total number of outstanding Relevant Securities is less than the number required to be comprised in the Exchange Property, to the extent of such shortfall, the Issuer shall be treated as if it were the holder and beneficial owner of such Relevant Securities and the provisions of Condition 8(b)(iii)(C) shall apply accordingly in respect of the number of Relevant Securities representing such shortfall.

(h) Other Adjustments to the Exchange Property and Contemporaneous Events

If the Issuer determines that:

- (i) an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 8(b)(i), 8(b)(ii) or 8(b)(iii), even if the relevant event is or circumstances are specifically excluded from the operation of Condition 8(b)(i), 8(b)(ii) or 8(b)(iii); or
- (ii) more than one event which gives rise or may give rise to an adjustment to the Exchange Property has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (iii) one event which gives rise or may give rise to more than one adjustment to the Exchange Property has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

the Issuer shall, at its own expense and acting reasonably, request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 8(h) if such Independent Adviser is so requested to make such determination in writing not more than 21 days after the occurrence of the relevant event or circumstance and provided that such adjustment shall result in an increase to the Exchange Property.

(i) Decision of an Independent Adviser

If any doubt shall arise as to whether an adjustment falls to be made to the Exchange Property, or as to the appropriate adjustment to the Exchange Property, or as to when such adjustment shall take effect or be deemed to have taken effect, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Bondholders and the Trustee, save in the case of manifest error. Neither the Trustee nor the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to the Exchange property or any calculation (or verification thereof) in connection with the Exchange Property and will not be responsible to Bondholders for any loss arising from any failure by them to do so.

9 General Offers

(a) Acceptance of Offers

In the event of an Offer for any Relevant Securities, comprised in the Exchange Property, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that the Issuer will not accept such Offer (a) prior to the Specified Date and (b) unless the value of the consideration offered for such Relevant Securities pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Relevant Securities.

For the avoidance of doubt, (i) the Issuer may announce its intention to accept any Offer prior to the Specified Date, and (ii) if there are two simultaneous Offers, the Issuer may accept either Offer (including the Offer which includes the lowest consideration) or neither Offer.

The value of such Relevant Securities and the value of any consideration will be determined by an Independent Adviser by reference to market values, where applicable, and such other considerations as the Independent Adviser shall consider appropriate.

The Issuer will not accept any Offer in respect of such part of the Exchange Property which would (disregarding for this purpose, any Cash Election) be deliverable to those Bondholders who have exercised Exchange Rights in respect of Bonds where the relevant Exchange Date falls prior to the commencement of any Suspension Period.

The Issuer shall at all times be entitled at its discretion, in relation to any shares or other securities owned or controlled by it or in respect of which it is entitled to exercise voting rights (whether or not such shares or securities comprise Exchange Property), to vote on, exercise its rights in respect of, or otherwise participate in (or in any such case refrain from doing so), any scheme of arrangement, reorganisation, amalgamation, merger, demerger or reconstruction of any company or companies or other entity or entities (whether or not involving liquidation or dissolution) as it thinks fit.

The Issuer shall give notice to the Trustee and the Bondholders in accordance with Condition 19 forthwith upon becoming aware of the existence of any Offer.

In accepting or rejecting any Offer or electing for any alternative consideration or in voting on, exercising its rights in respect of, or otherwise participating in, any scheme of arrangement, compromise, reorganisation, amalgamation, merger, demerger or reconstruction, the Issuer is not obliged to take account of the interests of the Bondholders and accordingly the Issuer may act in a manner which is contrary to the best interests of the Bondholders.

(b) Adjustment to Exchange Property

If the Issuer accepts such Offer and the Offer becomes unconditional in all respects (or if all the Relevant Securities not tendered in relation to the relevant Offer are subject to compulsory acquisition or 'squeeze out') then, and in relation to each Bond for which the Exchange Date has not occurred prior to the Final Acceptance Date, with effect from the Offer Consideration Date, the Relevant Securities the subject of such Offer or compulsory acquisition or 'squeeze out' shall be deemed no

longer to form part of the Exchange Property and shall be deemed to be replaced by the consideration in respect of the Relevant Securities under the Offer or pursuant to such compulsory acquisition or 'squeeze out' or, if there is alternative consideration, such consideration as the Issuer may elect for the purposes of these Conditions, and if the Issuer shall fail to make such election by not later than five Bangkok business days prior to the Final Date in respect of the relevant Offer, that consideration as shall be determined by an Independent Adviser to have the greatest value (the "Offer Consideration").

The Issuer shall procure the sale on an arms length basis of any securities or other property (other than Eligible Equity Shares and cash) included in the Offer Consideration in respect of any Exchange Property included in the Offer Consideration) as soon as practicable for cash and the Issuer will to the extent possible apply the proceeds of such sale (net of any taxes, costs and expenses incurred) and any cash comprised in the Offer Consideration:

- (i) in purchasing additional Eligible Equity Shares (if any) included in the Offer Consideration; or
- (ii) if and to the extent that the cash amount cannot be applied as stated in (i) above, in purchasing Eligible Equity Shares of the person making the Offer, provided such Equity Shares constitute Eligible Equity Shares; or
- (iii) if and to the extent that the cash amount cannot be applied as stated in (i) or (ii) above, in purchasing investments relating to the SET 50 Index (or successor index),

and which shall in each case be added to and form part of the Exchange Property. The Issuer will notify the Trustee of any application of any cash amounts pursuant to (i), (ii) or (iii) above.

(c) *Suspension of Exchange Rights*

The Exchange Rights shall be suspended during the period from and including (i) the Specified Date until the relevant Offer is withdrawn or the relevant Offer lapses or the Final Acceptance Date or, if earlier, until the Final Date and (ii) the date any vote is cast in relation to any applicable scheme referred to in this Condition, which is approved by the required majority, until the same is approved or rejected by any relevant judicial or other authority or otherwise is or becomes or is declared to be effective or the like.

If the Issuer accepts the relevant Offer and the Offer is or becomes unconditional in all respects, Exchange Rights will also be suspended during the period from and including the Final Acceptance Date, or if earlier, the Final Date until the Offer Consideration Date.

The period during which Exchange Rights are suspended pursuant to this Condition 9(c) is referred to as the "Suspension Period".

Notice of any such Suspension Period (including the commencement and termination thereof) will be given by the Issuer to the Trustee, the Principal Agent, the Paying and Exchange Agent and to the Bondholders in accordance with Condition 19.

If Exchange Rights are exercised such that the relevant Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

(d) Definitions

As used in these Conditions:

“Eligible Equity Shares” means Equity Share Capital of the offeror provided that, (i) such Equity Share Capital is listed and admitted to trading on an internationally recognised stock exchange; and (ii) the Equity Share Free Float in respect of such Equity Share Capital shall have been not less than 15 per cent. of the issued and outstanding Equity Share Capital on each of the 30 consecutive Trading Days ending on and including the Final Date;

“Equity Share Free Float” means, in respect of any Equity Shares, the aggregate number of such Equity Shares held by persons that own (together with any other person with whom they act in concert as can be determined from publicly available filings or records) Equity Shares representing less than 5 per cent. of the total number of such Equity Shares issued and outstanding, as determined by an Independent Adviser acting reasonably and in good faith, in consultation with the Issuer and where (i) references to “Equity Shares” shall include Equity Shares represented by depositary or other receipts or certificates representing Equity Shares; (ii) Equity Shares held by or on behalf of a depositary or custodian or similar person in respect of any such depositary or other receipts or certificates representing Equity Shares from time to time shall be treated as being held by the holder of the relevant depositary or other receipts or certificates and not by such depositary, custodian or similar person; (iii) Equity Shares that have been borrowed and remain borrowed pursuant to any stock lending arrangement shall be treated as not being owned by the relevant lender; and (iv) Equity Shares held by or on behalf of the issuer of such Equity Shares or any subsidiary of such issuer or any person acting in concert with such issuer shall be treated as not constituting part of the Equity Share Free Float;

“Equity Share Capital” and “Equity Shares” have the meaning provided in Condition 5;

“Final Acceptance Date” means, in respect of any Offer, the final date for acceptance of such Offer which, if such Offer is extended prior to becoming unconditional, shall be the final date for acceptance of the extended Offer (but, if such Offer is or becomes unconditional, disregarding any additional or further period during which such Offer is open for acceptance);

“Final Date” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects;

“Offer Consideration Date” means, in relation to any Offer (or compulsory acquisition or ‘squeeze out’), the date upon which the Offer Consideration is made available to the holders of the relevant Relevant Securities; and

“Specified Date” means, in relation to any Offer, five Trading Days prior to the Final Acceptance Date.

10 Undertakings

- (a) The Issuer undertakes to use all reasonable endeavours to maintain the listing of the Bonds on the SGX-ST. If the Issuer is unable to maintain such listing or the maintenance of such listing is unduly onerous or burdensome, the Issuer undertakes to use all reasonable endeavours to obtain and maintain a listing and/or admission to trading of the Bonds on such other internationally recognised stock exchange as the Issuer may from time to time determine and as may be approved by the Trustee, and the Issuer will forthwith give notice to the Bondholders in accordance with Condition 19 of the listing or delisting and/or admission of the Bonds by any of such stock exchanges.
- (b) The Issuer undertakes to obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bonds and the Trust Deed.
- (c) Where these Conditions require or contemplate a sale of any property or assets to be made or procured to be made by the Issuer, the Issuer shall procure that the relevant sale is made as soon as reasonably practicable and in any event, if a payment calculated by reference to any such sale (including payment of the Realisation Proceeds) is to be made pursuant to these Conditions, in such time to enable the relevant payment to be made by the time specified in these Conditions.
- (d) If the appointment of an Independent Adviser is required by these Conditions or if these Conditions relate to any matter to be determined by an Independent Adviser, the Issuer shall procure that the relevant appointment is made promptly and, in any event, in time to enable the proper operation of the relevant provisions of these Conditions.
- (e) Within 7 Bangkok business days following the occurrence of a Change of Control relating to the Sponsor, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 19 (a "Change of Control Notice"). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their Exchange Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 11(c).

The Change of Control Notice shall also specify:

- (i) the Value of the *pro rata* share of the Exchange Property attributable to each U.S.\$200,000 principal amount of the Bonds as at the last practicable date prior to the publication of the Change of Control Notice;
- (ii) the last day of the Change of Control Period;
- (iii) the Change of Control Put Date; and
- (iv) such other information relating to the Change of Control as the Trustee may require.

The Trustee shall not be required to take any steps to ascertain whether any such Change of Control or any event which could lead to such Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

- (f) Within 7 Bangkok business days following the occurrence of a De-listing Event, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 19 (a “De-listing Event Notice”). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their Exchange Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 11(c).

The De-listing Event Notice shall also specify:

- (i) the Value of a *pro rata* share of the Exchange Property attributable to each U.S.\$200,000 principal amount of the Bonds as at the last practicable date prior to the publication of the De-listing Event Notice;
- (ii) the last day of the De-listing Event Period;
- (iii) the De-listing Event Put Date; and
- (iv) such other information relating to the De-listing Event as the Trustee may require.

The Trustee shall not be required to take any steps to ascertain whether a De-listing Event or any event which could lead to a De-listing Event has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

11 Redemption and Purchase

(a) *Final Redemption*

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed at 111.97 per cent. of their principal amount on the Final Maturity Date.

The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 11(b).

(b) *Redemption at the Option of the Issuer*

(i) *For tax reasons*

At any time the Issuer may, having given not less than 45 nor more than 60 days’ notice (a “Tax Redemption Notice”) to the Bondholders in accordance with Condition 19 (and copied to the Trustee), redeem (subject as provided below) all but not some only of the Bonds for the time being outstanding on the date (the “Tax Redemption Date”) specified in the Tax Redemption Notice at their Early Redemption Amount as at such date, together with accrued but unpaid interest to the Tax Redemption Date, if:

- (A) (1) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that it has or will become obliged to pay additional amounts as provided or referred to in Condition 13 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or

administration of such laws or regulations, which change or amendment becomes effective on or after 10 January 2014; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) (1) the Sponsor satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that it has or (if a demand were made under the Irrevocable Undertaking) would become obliged to pay additional amounts as provided or referred to in the Irrevocable Undertaking as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Thailand or any political subdivision or any authority or agency thereof or therein, or any change in the application or interpretation or administration of such laws or regulations, which change or amendment becomes effective on or after 10 January 2014; and (2) such obligation cannot be avoided by the Sponsor taking reasonable measures available to it,

provided that the Issuer may only exercise redemption pursuant to Condition 11(b)(i)(B) if the rate of withholding or deduction in respect of which additional amounts required to be paid are more than 15 per cent. and provided further that no such Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Sponsor would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

At least 15 days prior to the publication of any Tax Redemption Notice, the Issuer shall deliver to the Trustee a certificate signed by two duly Authorised Officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred (and such evidence shall be sufficient to the Trustee and conclusive and binding on the Bondholders).

Any Tax Redemption Notice shall be irrevocable.

On the Tax Redemption Date, the Issuer shall (subject to the next following paragraph) redeem the Bonds at their Early Redemption Amount as at such date, together with accrued interest to such date.

If the Issuer gives a notice of redemption pursuant to this Condition 11(b)(i), each Bondholder will have the right to elect that its Bonds shall not be redeemed and that the provisions of Condition 13 shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 13 or the Irrevocable Undertaking and payment of all amounts of such interest on such Bonds or the Irrevocable Undertaking shall be made subject to the deduction or withholding of any Kingdom of Thailand or British Virgin Islands taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying and Exchange Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying and Exchange Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

Any Tax Redemption Notice shall specify (i) the Tax Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each U.S.\$200,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Tax Redemption Notice (converted, if necessary, into U.S. dollars at the Screen Rate as at such date).

(ii) *For other reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their Early Redemption Amount as at such date, together with accrued interest to the relevant date fixed for redemption:

- (A) at any time on or after 5 February 2017 (the “First Call Date”), provided that the Value of the *pro rata* share of the Exchange Property attributable to each U.S.\$200,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh Trading Day prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded U.S.\$260,000; or
- (B) at any time if, prior to the date on which the relevant notice of redemption is given Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds originally issued; or
- (C) within the period of 60 days after the end of the Change of Control Period in relation to a Change of Control in respect of CP ALL, the Sponsor or the Predominant Relevant Company (provided that this Condition 11(b)(ii)(c) shall not apply to any Bonds in respect of which the relevant holder shall or shall have exercised Exchange Rights or the right to require such Bonds to be redeemed pursuant to these Conditions, whether exercised on, prior to or after the giving of any notice of redemption by the Issuer); or
- (D) on a date falling not less than 60 nor more than 90 days following the relevant Offer Consideration Date, if following any Offer, the Exchange Property comprises solely cash and/or other property (other than Eligible Equity Shares) or in the event of an Offer relating to the Predominant Equity Share Capital where the Offer Consideration consists solely of cash and/or other property (other than Eligible Equity Shares).

In order to exercise such option the Issuer shall give not less than 45 nor more than 60 days’ notice (an “Optional Redemption Notice”) to the Bondholders in accordance with Condition 19 (and copied to the Trustee) specifying the date for redemption (the “Optional Redemption Date”).

Any Optional Redemption Notice shall be irrevocable.

On the Optional Redemption Date, the Issuer shall redeem the Bonds at their Early Redemption Amount as at such date, together with accrued interest to the relevant Optional Redemption Date.

Any Optional Redemption Notice shall specify (i) the Optional Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property

attributable to each U.S.\$200,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Optional Redemption Notice (converted, if necessary, into U.S. dollars at the Screen Rate as at such date).

(c) Redemption at the Option of the Bondholders

(i) Redemption on 15 January 2016

The holder of each Bond will have the right to require the Issuer to redeem that Bond on 15 January 2016 (the “Optional Put Date”) at its Early Redemption Amount as at such date, together with accrued interest to such date.

To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying and Exchange Agent (the “Optional Put Exercise Notice”) not earlier than 60 days nor less than 15 days prior to the Optional Put Date.

Payment in respect of any such Bond shall be made by transfer to a U.S. dollar account with a bank in New York City as specified by the relevant Bondholder in the relevant Optional Put Exercise Notice.

An Optional Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Optional Put Exercise Notices delivered as aforesaid on the Optional Put Date.

(ii) Redemption following a Change of Control

Following the occurrence of a Change of Control in relation to the Sponsor, CP ALL or the Predominant Relevant Company, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its Early Redemption Amount as at such date, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying and Exchange Agent (a “Change of Control Put Exercise Notice”), at any time during the Change of Control Period. The “Change of Control Put Date” shall be the 14th calendar day after the expiry of the Change of Control Period (or if that is not a New York City business day, the next following New York City business day).

Payment in respect of any such Bond shall be made by transfer to a U.S. dollar account with a bank in New York City as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

(iii) Redemption following a De-listing Event

Following the occurrence of a De-listing Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the De-listing Event Put Date at its Early Redemption Amount as at such date, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying and Exchange Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying and Exchange Agent (a "De-listing Event Put Exercise Notice"), at any time during the De-listing Event Period. The "De-listing Event Put Date" shall be the date falling 30 Bangkok Business Days after the expiry of the De-listing Event Period.

Payment in respect of any such Bond shall be made to transfer to a U.S. dollar account with a bank in New York City as specified by the relevant Bondholder in the relevant De-listing Event Put Exercise Notice.

A De-listing Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of the De-listing Event Put Exercise Notices delivered as aforesaid on the De-listing Event Put Date.

(d) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 11, the first of such notices to be given shall prevail.

(e) Purchase

The Issuer, the Sponsor or any of their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Sponsor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 14 and 16.

(f) Cancellation

Bonds purchased by the Issuer, the Sponsor or any of their respective Subsidiaries may be held, re-issued (in the case of the Issuer) or sold or cancelled. All Bonds redeemed or exchanged will be cancelled and may not be re-issued or resold.

12 Payments

(a) Principal and Interest

Payment of principal in respect of the Bonds (other than pursuant to Condition 11(c)), payment of accrued interest payable on a redemption of the Bonds (other than pursuant to Condition 11(c)) payment of any interest due on an Interest Payment Date in respect of the Bonds will be made to the persons shown in the Register at the close of business on the Record Date, and, other than in the case of a payment of any interest due on an Interest Payment Date, subject to surrender (or in the case of partial payment only, endorsement) of the relevant Bond, at the specified office of any Paying and Exchange Agent.

Payment of all other amounts will be made as provided in these Conditions.

(b) Method of Payment

Each payment referred to in Condition 12(a) will be made in U.S. dollars by transfer to a U.S. dollar account maintained with a bank in New York City specified by the relevant Bondholder.

(c) Record Date

“Record Date” means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

All payments in respect of Bonds represented by the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

(d) Agents

The names of the initial Paying and Exchange Agents, Transfer Agents and Registrar and their initial specified offices are set out below. The Issuer reserves the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove any Paying and Exchange Agent, Transfer Agent and Registrar, and to appoint other or further Paying and Exchange Agents, Transfer Agents and Registrar, provided that it will at all times maintain Paying and Exchange Agents, Transfer Agents and Registrar having specified offices in (i) Singapore, (ii) any place required by the rules of any relevant stock exchange if and for so long as the Bonds are listed or admitted to trading on any stock exchange or admitted to listing by any other relevant authority for which the rules require the appointment of a Paying and Exchange Agent or Transfer Agent in any particular place and (iii) in a European Union member state (if any) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such removal or appointment and of any change in the specified office of any Paying and Exchange Agent, Transfer Agent or the Registrar will be given as soon as practicable to Bondholders in accordance with Condition 19.

(e) Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 13. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(f) Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest such unit.

(g) Default Interest and Delay In Payment

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 3 per cent. per annum (both before and after judgment) from the due date until whichever is the earlier of (i) the day on which all sums due in respect of such Bond are received by or on behalf of the relevant holder and (ii) the day seven days after the Trustee has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holder under these Conditions). Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

Bondholders will not be entitled to any further interest or other payment for any delay after the due date in receiving any amount due:

- (i) as a result of the due date not being a business day; or
- (ii) if the relevant Bondholder is late in surrendering the relevant Bond (where such surrender is required pursuant to these Conditions as a precondition to payment).

In this Condition 12(g) "business day" means a day (other than a Saturday or Sunday) which is a New York City business day and (where surrender of the relevant Bond is required pursuant to these Conditions as a precondition to payment) and which is a business day in the place of the specified office of the Paying and Exchange Agent to whom the relevant Bond is surrendered.

13 Taxation

All payments made by or on behalf of the Issuer in respect of the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

If any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of interest on any Bond:

- (a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the British Virgin Islands otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (b) where presentation and surrender of a Bond is required pursuant to these Conditions, if the Bond is surrendered more than 30 days after the Relevant Date, except to the extent that the holder would have been entitled to such additional amount on surrendering the Bond for payment on the last day of such period of 30 days; or

- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) where presentation and surrender of a Bond is required pursuant to these Conditions, presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Paying and Exchange Agent in a Member State of the European Union (provided that at the time of presentation the Issuer has appointed and maintains such an alternative Paying and Exchange Agent).

References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 13 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 11(b)(i).

14 Events of Default

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Bonds and/or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at the Relevant Amount:

- (a) Non-Payment: the Issuer fails to pay the principal of or interest or any other amount due in respect of the Bonds when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest or any other amount; or
- (b) Breach of Other Obligations: the Issuer or the Sponsor does not perform or comply with any one or more of its other obligations in the Bonds, or the Trust Deed which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) Cross-Default: (i) any other present or future indebtedness of the Issuer, the Sponsor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default, or the like (howsoever described) thereunder, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, the Sponsor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity (including, without limitation, any contractual obligations similar to the Irrevocable Undertaking) in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 14(c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (as determined on the basis of the prevailing Screen Rate); or

- (d) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer, the Sponsor or any Principal Subsidiary and is not discharged or stayed within 60 days; or
- (e) Insolvency: the Sponsor or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt, the Issuer is declared by a court to be insolvent or bankrupt, or the Issuer, the Sponsor or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) unable to pay its debts as they fall due (as determined pursuant to any insolvency proceedings), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or substantially all of the debts of the Issuer, the Sponsor or any Subsidiary; or
- (f) Winding-up: an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of the Issuer, the Sponsor or any Principal Subsidiary, or the Issuer, the Sponsor or any Principal Subsidiary ceases to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Sponsor or any Principal Subsidiary; or
- (g) Enforcement of Security: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Sponsor or any Principal Subsidiary in respect of all or a substantial part of the property or assets of the Issuer, the Sponsor or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person), unless the amount secured by any such security interest which is the subject of the enforcement does not exceed in aggregate U.S.\$50,000,000 (or its equivalent in any other currency or currencies), provided that such steps taken to enforce any such security interests shall not be stayed, discharged or withdrawn within 30 days; or
- (h) Ownership of Issuer: the Issuer is not wholly owned and controlled by the Sponsor; or
- (i) Unlawful: it is or will become unlawful for the Issuer or the Sponsor to perform or comply with any of its obligations under or in respect of the Bonds or the Irrevocable Undertaking; or
- (j) Non-Performance of Exchange Rights: the Issuer fails to perform any of its obligations arising in respect of the exercise of Exchange Rights, including any failure to transfer or deliver any Exchange Property or Additional Exchange Property or to pay any Cash Alternative Amount, by the time required pursuant to these Conditions; or
- (k) Breach of Irrevocable Undertaking: the Issuer or the Sponsor does not perform or comply with any of its obligations under the Irrevocable Undertaking; or
- (l) Other Defaults: any of the Sponsor's present or future Baht-denominated bonds, and whether issued directly by the Sponsor or indirectly through a Subsidiary of the Sponsor becomes due and payable prior to its stated maturity by reason of any event of default or howsoever described thereunder or any such bonds are not paid when due or, as the case may be, within any applicable grace period.

“Principal Subsidiary” means any Subsidiary of the Sponsor:

- (i) whose revenue from sale of goods (consolidated in the case of a Subsidiary which has Subsidiaries) attributable to the Sponsor, as shown by its latest audited statement of income are at least 10 per cent. of the consolidated revenue from sale of goods as shown by the latest published audited statement of income of the Sponsor and its consolidated Subsidiaries; or
- (ii) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) attributable to the Sponsor, as shown by its latest audited statement of financial position, are at least 10 per cent. of the consolidated gross assets of the Sponsor and its Subsidiaries as shown by the latest published audited consolidated statement of financial position of the Sponsor and its Subsidiaries, including the investment of the Sponsor and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Sponsor and of associated companies and after adjustment for minority interests; or
- (iii) that it is in receipt of or has the benefit of any guarantee, indemnity, letter of support or other type of credit enhancement (including without limitation contractual obligations similar to the Irrevocable Undertaking) from the Issuer, the Sponsor or any other Principal Subsidiary with respect to indebtedness for or in respect of Relevant Indebtedness of such Subsidiary in an aggregate amount of U.S.\$10,000,000 or more;

provided that, in relation to paragraphs (i), (ii) and (iii) above:

1. in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Sponsor relate, the reference to the then latest consolidated audited accounts of the Sponsor and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Sponsor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Sponsor and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
2. if at any relevant time in relation to the Sponsor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, the determination of whether or not a Subsidiary is a Principal Subsidiary shall be made on the basis of *pro forma* consolidated accounts prepared for this purpose by the Sponsor for the purposes of preparing a certificate thereon to the Trustee; and
3. if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (1) above) are not consolidated with those of the Sponsor, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Sponsor;
4. to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (x) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary and (y) the transferee Subsidiary shall immediately become a Principal Subsidiary; and further provided that on or after the date on which the relevant financial

statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraphs (i) or (ii) above.

A certificate prepared by the directors of the Sponsor, in their opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties. The certificate would be accompanied by a report by an internationally recognised firm of accountants addressed to the directors of the Sponsor and the Trustee as to proper extraction of the figures used by the Sponsor in determining the Principal Subsidiaries of the Sponsor and mathematical accuracy of the calculation.

“Relevant Amount” means, in respect of each U.S.\$200,000 principal amount of Bonds, an amount equal to the Early Redemption Amount as at such date, together with accrued interest thereon, save that if the relevant Event of Default occurs as a result of or in connection with a failure by the Issuer to comply with any of its obligations in relation to the exercise of Exchange Rights, it means an amount equal to the higher of:

- (i) the Value of the *pro rata* share of the Exchange Property and any other amounts which would have been payable and/or deliverable on exchange in respect of such Bond had the date of such declaration been the Exchange Date; and
- (ii) such Early Redemption Amount as at such date, together with accrued but unpaid interest.

“Relevant Indebtedness” for the purposes of the definition of “Principal Subsidiary” only, means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other similar securities (including trust certificates) (but for the avoidance of doubt excluding term loans, credit facilities, credit agreements and other similar facilities and evidence of indebtedness under such loans, facilities or credit agreements) which (a) by their terms are payable, or confer a right to receive payment: (i) in any currency other than Thai Baht; or (ii) are denominated and payable in Thai Baht and more than one-half of the aggregate principal amount of which is initially distributed outside of Thailand; and (b) are for the time being, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

References in these Conditions and the Trust Deed to the principal amount of the Bonds shall, other than in Condition 6 and unless the context otherwise requires, include the Relevant Amount.

15 Prescription

Claims in respect of the principal amount or interest on Bonds will become void unless made within 10 years (in the case of the principal amount) and five years (in the case of interest from the appropriate Relevant Date in respect thereof.

Claims in respect of any other amounts payable in respect of the Bonds will become void unless made within ten years following the due date for a payment thereof.

16 Meetings of Bondholders, Modification and Waiver, Substitution and Entitlement of Trustee

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including provisions governing the passing of resolutions by Bondholders and the sanctioning by Extraordinary Resolution of a modification of any provisions of these Conditions or any relevant provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a majority in nominal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the nominal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date or any date for payment of interest on the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 11(b) or (c), (iii) to reduce or cancel the principal amount of, or any interest on, the Bonds or to reduce the amount payable on redemption or repayment of, the Bonds, (iv) to reduce the rate of interest in respect of the Bonds or to vary the method or basis of calculating the rate of interest or the basis for calculating any other amount payable in respect of the Bonds, (v) to modify or cancel the Exchange Rights (other than an increase in the Exchange Property deliverable on exercise of Exchange Rights or other adjustments already expressly permitted or provided for in these Conditions or the Trust Deed), (vi) to vary the currency of the denomination or any payment in respect of the Bonds, (vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, (viii) change or modify the composition of the Exchange Property other than in accordance with these Conditions or the Trust Deed or (ix) to change the governing law of the Bonds or any Transaction Document (other than in the case of a substitution provided for in Condition 16(c) below), in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-half, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of holders of not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) Modification and Waiver

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of any Transaction Document to which it is a party, including the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other

modification (except as mentioned in the Trust Deed) to any Transaction Document to which it is a party, including the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of any Transaction Document to which it is a party, including the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders, and, if the Trustee so requires, such modification shall be notified to the Bondholders promptly in accordance with Condition 19.

(c) Substitution

The Trustee may, without the consent of the Bondholders, agree to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed subject to the conditions set out in the Trust Deed, including (a) the Bonds remaining unconditionally and irrevocably subject to the Irrevocable Undertaking from the Sponsor, and (b) the Bonds continuing to be exchangeable for the Exchange Property as provided in these Conditions *mutatis mutandis* as provided in these Conditions, provided that in any such case, the conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 19.

(d) Entitlement of the Trustee

In connection with the exercise of its rights, powers, discretions and functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the general interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

17 Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer and/or the Sponsor as it may think fit to enforce the provisions of the Trust Deed, the Irrevocable Undertaking and the Bonds, but it shall not be bound to take any such steps, actions or proceedings or any other action in relation to the Trust Deed, the Irrevocable Undertaking, the Bonds or the other Transaction Documents to which it is a party unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall first

have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer or the Sponsor, as the case may be, unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

If a claim is made by the Issuer or the Trustee pursuant to the Irrevocable Undertaking (a "Claim"), the Issuer may at its discretion sell all or any part of the Exchange Property on an arm's length basis in an amount sufficient to satisfy such Claim, provided that such amount shall be paid to the Trustee in settlement of the outstanding obligations under the Bonds and the Trust Deed, and the net amount so paid to the Trustee shall be deducted from the Claim.

18 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Sponsor, its Subsidiaries and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer, the Sponsor or its Subsidiaries to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee may rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Irrevocable Undertaking or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement, the Irrevocable Undertaking or these Conditions. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, investment bank, or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under any provision of these Conditions or the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

19 Notices

All notices to holders of the Bonds shall be validly given if mailed to them at their respective addresses in the register of holders of the Bonds maintained by the Registrar and, so long as the Bonds are listed on the SGX-ST and the rules of that exchange so require, published in a leading newspaper having general circulation in Singapore (which is expected to be *The Straits Times*). Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any alternative clearing system (as defined in the Global Certificate), notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or any alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions except that for so long as the Bonds are listed on the SGX-ST and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Singapore (which is expected to be *The Straits Times*).*

20 Replacement of Bonds

If any Bond is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Paying and Exchange Agent in Hong Kong upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

21 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

22 Governing Law and Jurisdiction

(a) Governing law

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“Proceedings”) may be brought in such courts. Each of the Issuer and the Sponsor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

Each of the Issuer and the Sponsor has irrevocably appointed CP Foods (UK) Limited at its registered office for the time being, currently at Avon House, Hartlebury Trading Estate, Hartlebury, Nr. Kidderminster, Worcestershire DY10 4JB, England as its agent in England to receive service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Sponsor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Sponsor irrevocably agrees to appoint a substitute process agent and shall immediately notify the Trustee of such appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

DESCRIPTION OF THE IRREVOCABLE SPONSOR UNDERTAKING DEED

The Sponsor has agreed to enter into the Irrevocable Undertaking in order to enhance the credit worthiness of the Issuer.

The following contains summaries or extracts of certain key provisions of the Irrevocable Undertaking. Such statements do not purport to be complete and are qualified in their entirety by reference to the Irrevocable Undertaking. Capitalised terms used but not defined in this section or elsewhere in this Offering Circular have the meanings given to them in the Terms and Conditions.

Pursuant to the Irrevocable Undertaking, the Issuer shall promptly notify the Sponsor if the Issuer or the Trustee determines (through notice to the Issuer) that the Issuer is unable to meet its payment or delivery obligations under the Bonds, or under the Trust Deed, the Agency Agreement and the Terms and Conditions (the "Transaction Documents") as they fall due. The Sponsor undertakes to do all acts and things, whether in its capacity as the shareholder of the Issuer, through its management of the Issuer or such other means as the Sponsor may determine, including but not limited to voting in favour of capital increase shareholder resolutions, subscribing for additional shares in capital increases or granting loans (which loans shall be subordinated to all other indebtedness or obligations of the Issuer pursuant to the Terms and Conditions, the Trust Deed and the other Transaction Documents), to ensure that sufficient subscription monies or subordinated loan proceeds, as the case may be, are made available or other properties or assets shall be made available to the Issuer, before the due date of the relevant payment or delivery obligations, to enable the Issuer to meet its payment or delivery obligations in full as they fall due.

The means by which the Sponsor funds the Issuer shall be determined by the Sponsor in accordance with the Irrevocable Undertaking and where the Issuer has an obligation to deliver properties or assets pursuant to the Terms and Conditions, the Trust Deed or other Transaction Documents, in satisfaction of its obligations under the Irrevocable Undertaking, the Sponsor may elect in its discretion to make available to the Issuer the cash-equivalent of such properties or assets in a sufficient amount for the Issuer to satisfy its obligations in full.

Subject to applicable laws, the Issuer shall use all of its funds or other property or assets, including those made available to it by the Sponsor in accordance with the Irrevocable Undertaking solely for the payment or delivery, when due, of such payment or delivery obligations under the Bonds, the Trust Deed or the other Transaction Documents (as the case may be). The Sponsor will undertake to ensure compliance by the Issuer with the Irrevocable Undertaking, including to exercise its voting rights in respect of its equity interest in the Issuer as sole shareholder and through the management of the Issuer appointed by the Sponsor or otherwise.

Under the terms of the Irrevocable Undertaking, the Sponsor agrees to indemnify each of the Issuer and the Trustee (on behalf of the Bondholders), in full and on demand, from and against all and any loss or damage suffered by it as a result of failure of the Sponsor to discharge its obligations under the Irrevocable Undertaking and any sum expressed to be payable or any property expressed to be deliverable by or on behalf of the Issuer under the Trust Deed, the Bonds or any of the other Transaction Documents not being paid or delivered on the date and otherwise in the manner specified in the Bonds, the Trust Deed or any of the other Transaction Documents, or any payment obligation or obligation to deliver or procure the delivery of property of the Issuer under the Trust Deed, the Bonds or any of the other Transaction Documents being or becoming void, voidable or unenforceable for any reason, the amount of that loss or damage being the amount expressed pursuant to the Bonds and the Transaction Documents to be payable by the Issuer in respect of the relevant sum or relevant value of the property deliverable by or on behalf of the Issuer (as the case may be) without the need to prove that the loss or damage is direct or foreseeable.

The Sponsor also agrees to give indemnities to the Trustee and the Agents under the Irrevocable Undertaking.

The Sponsor, with respect to any amount due and payable under the Irrevocable Undertaking, waives any right it may have to require the Issuer, the Agents or the Trustee (or any agent on its behalf) to proceed against or enforce any other right or claim for payment against any person before claiming from the Sponsor under the indemnity in the Irrevocable Undertaking.

The Sponsor and the Issuer agree that if the Sponsor is required to make any payment pursuant to the Irrevocable Undertaking directly to a party other than the Issuer, the Sponsor shall have a subordinated claim against the Issuer for the same amount as that paid by the Sponsor, and such amount due from the Issuer to the Sponsor shall be evidenced by a subordinated loan between the Sponsor and the Issuer or shall be set off against the subscription proceeds for the issuance of shares of the Issuer to the Sponsor. Such arrangements shall not in any way impact or prejudice the Sponsor's obligations, and the Trustee (for itself and for the benefit of Bondholders) or the Agents' rights, under the Irrevocable Undertaking.

Further, the Sponsor agrees and acknowledges that the aggregate damages or losses suffered by the relevant party in the event that the Sponsor breaches its obligations under the Irrevocable Undertaking, will be:

- (a) in the case of the Trustee (on behalf of the Bondholders), for each U.S.\$200,000 principal amount of Bonds, (x) the Early Redemption Amount, together with accrued interest (including any Default Interest, tax gross up or other additional amounts payable pursuant to the Terms and Conditions) calculated pursuant to and in accordance with the Terms and Conditions, or (y) in the event that the Issuer fails to comply with its obligations upon the exercise of Exchange Rights by Bondholders, the higher of (i) the Value of the *pro rata* share of the Exchange Property and all amounts (including any Default Interest, tax gross up or other additional amounts payable pursuant to the Terms and Conditions) which would have been payable and/or deliverable on exchange; and (ii) the Early Redemption Amount, together with accrued interest (including any Default Interest, tax gross up or other additional amounts payable pursuant to the Terms and Conditions), in each case calculated pursuant to and in accordance with the Terms and Conditions; plus in the case of (x) or (y) any additional amounts, properties or assets payable or deliverable (as the case may be) by the Issuer to the Bondholders pursuant to the terms of the Terms and Conditions, the Trust Deed and any other Transaction Documents; plus
- (b) in the case of the Trustee (for itself) and the Agents, any amounts, properties or assets payable or deliverable (as the case may be) by the Issuer to the Trustee (for itself), the Agents and any other party pursuant to the terms of the Terms and Conditions, the Trust Deed and any other Transaction Documents;

in the case of (a) or (b) less:

- (c) any and all amounts (i) realised from the sale of the Exchange Property (net of taxes, duties, costs and expenses associated with such sale), (ii) previously paid by the Issuer and/or (iii) recovered by the Trustee, in each case paid to, and received by, the Trustee (for itself and for the benefit of Bondholders) and/or the Agents in satisfaction of the Issuer's obligations under the Terms and Conditions and the Transaction Documents,

the sum calculated in accordance with (a), (b) and (c), collectively being, the "Damages".

The Sponsor further agrees and acknowledges that in the event that the Sponsor breaches its obligations under the Irrevocable Undertaking, the Damages specified are direct and foreseeable to it and shall be the genuine Damages suffered by the Issuer, the Agents and/or the Trustee (for itself and on behalf of the Bondholders) (as the case may be).

The Issuer and the Sponsor shall deliver a certificate to the Trustee within 14 Bangkok Business Days from the end of each semi-annual period ending 31 December and 30 June of each year, confirming (A) for each U.S.\$200,000 principal amount of Bonds: (1) the Early Redemption Amount, together with accrued interest (including any Default Interest, tax gross up or other additional amounts payable under the Terms and Conditions) calculated pursuant to and in accordance with the Terms and Conditions; and (2) the Value of the *pro rata* share of the Exchange Property and all amounts (including any Default Interest, tax gross up or other additional amounts payable under the Terms and Conditions); and (3) the aggregate of any other amount, property or asset in addition to (1) and (2) payable or deliverable (as the case may be) by the Issuer to the Trustee (on behalf of the Bondholders) pursuant to the terms of the Terms and Conditions, the Trust Deed and any other Transaction Documents; and (B) all amounts, properties or assets that were due and payable or deliverable (as the case may be including any arrears outstanding) by the Issuer to the Trustee (on its own behalf), the Agents and any other party, that can be determined as at the relevant semi-annual date pursuant to the terms of the Trust Deed and any other Transaction Documents, each as at the end of such semi-annual period (the "Certificate"). The Sponsor shall also acknowledge in the Certificate that the amount of damages for which it may ultimately be liable to the other parties under the Irrevocable Undertaking shall be determined in accordance with the Transaction Documents and the Irrevocable Undertaking, and may be more than the amounts specified in the Certificate.

All payments made by or on behalf of the Sponsor to the Trustee (on behalf of the Bondholders) or the Agents (for remittance to the Bondholders) in respect of the Irrevocable Undertaking will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Thailand or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law. If any such withholding or deduction is required to be made, the Sponsor will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required. All payments made by or on behalf of the Sponsor to the Trustee (on its behalf) or the Agents under this Deed shall be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event the Sponsor will pay such additional amounts as will result in the receipt by the Trustee or the Agents of the amounts which would otherwise have been payable by it to the Trustee or Agents under this Deed in the absence of any such set-off, counterclaim, deduction or withholding.

Pursuant to the Irrevocable Undertaking and for so long as the Bonds are outstanding, the Sponsor also irrevocably and unconditionally undertakes to the Issuer, the Trustee and the Agents:

- to exercise its voting power in respect of its equity interest in the Issuer as sole shareholder, and through the management of the Issuer as appointed by the Sponsor, to procure the Issuer to remain in full compliance with the Terms and Conditions, the Trust Deed, the Irrevocable Undertaking and the other Transaction Documents to which the Issuer is a party, and all applicable laws and regulations applicable to the Issuer;
- in accordance with the Irrevocable Undertaking, to cause the Issuer to remain a going concern at all times under all applicable laws and regulations applicable to the Issuer;

- in accordance with the Irrevocable Undertaking, to cause the Issuer to have sufficient liquidity to ensure (i) timely payment or delivery by the Issuer of any amounts payable, or (ii) delivery by the Issuer of any property or assets deliverable, under or in respect of the Bonds, the Trust Deed or the other Transaction Documents (as the case may be) in accordance with the Terms and Conditions, the Trust Deed and the other Transaction Documents;
- so long as any Bond remains outstanding (as defined in the Trust Deed), that it will not, and it will cause its Subsidiaries not to, (i) create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “Security Interest”), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in Condition 3 of the Terms and Conditions), or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or (ii) create or have outstanding any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness in circumstances where any Security Interest upon the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of any Subsidiary of the Sponsor is outstanding as security for or in respect of any such Relevant Indebtedness or any guarantee or indemnity in respect of any such Relevant Indebtedness, unless, in any of the circumstances described in (i) and/or (ii) above, at the same time or prior thereto there is accorded to the Bonds the same security for so long as such Relevant Indebtedness is so secured or such other security as the Trustee in its discretion shall deem to be not materially less beneficial to the Bondholders or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders. “Subsidiaries” excludes Charoen Pokphand Enterprise (Taiwan) Co., Ltd, C.P. Pokphand Company Limited and each of their respective Subsidiaries, while the equity capital of Charoen Pokphand Enterprise (Taiwan) Co., Ltd or C.P. Pokphand Company Limited, as the case may be, is listed on a stock exchange; and
- at all times during the term of the Irrevocable Undertaking, to directly own and hold the entire legal title to and beneficial interest in all outstanding shares of stock of the Issuer free and clear of any pledge, lien, mortgage, encumbrance or security interest whatsoever and not to pledge (directly or indirectly) or in any way encumber or otherwise dispose of any such shares of stock.

The Irrevocable Undertaking will remain in full force and effect so long as any Bonds remain outstanding and until all obligations of the Issuer under the Bonds, the Trust Deed and the other Transaction Documents to which it is a party are completely discharged in full.

The Irrevocable Undertaking and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law. The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Irrevocable Undertaking. The Trustee shall have the option to refer any dispute in connection with the Irrevocable Undertaking to arbitration. Such arbitration shall be finally resolved in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Terms and Conditions set out in this Offering Circular. Terms defined in the Terms and Conditions of the Bonds have the same meaning in the paragraphs below. The following is a summary of those provisions:

Meetings

The registered holder (as defined in the Terms and Conditions) of the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders and, at any such meeting, as having one vote in respect of each U.S.\$200,000 in principal amount of Bonds for which the Global Certificate is issued. The Trustee may allow a person with an interest in Bonds in respect of which the Global Certificate has been issued to attend and speak at a meeting of holders on appropriate proof of his identity and interest.

Redemption or Purchase and Cancellation

Cancellation of any Bond by the Issuer following its redemption, exchange or purchase by the Issuer will be effected by a reduction in the principal amount of the Bonds in the register of holders.

Trustee's Powers

In considering the interests of holders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Exchange

Subject to the requirements of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System), the Exchange Rights attaching to the Bonds represented by the Global Certificate may be exercised by the presentation of one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Paying and Exchange Agent together with the relevant Exchange Notice(s) shall not be required.

Payment

Payments of principal and interest in respect of Bonds represented by the Global Certificate will be made without presentation and, if no further payment falls to be made in respect of the Bonds, against presentation of the Global Certificate to, or to the order of, the person whose name is entered on the register of holders at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system, notices to holders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or the alternative clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Terms and Conditions, except that for so long as the Bonds are listed on the SGX-ST and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Singapore (which is expected to be The Straits Times).

Holder's Redemption

The holder's redemption options in Condition 11(c) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Paying and Exchange Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Terms and Conditions.

Redemption at the Option of the Issuer

The options of the Issuer provided for in Condition 11(b) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by such Conditions.

Registration of Title

Certificates in definitive form for individual holdings of Bonds will not be issued in exchange for interests in Bonds in respect of which the Global Certificate is issued, except if either Euroclear or Clearstream, Luxembourg (or any alternative clearing system on behalf of which the Bonds evidenced by the Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate date on which payment in respect of it first becomes due in respect of such payment.

Transfers

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which the Global Certificate is issued shall be recognised as the beneficiaries of the trust set out in the Trust Deed, to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder, as if they were themselves the holders of Bonds in such principal amounts.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, after deducting the selling, management and underwriting commissions and other expenses in connection with the issue of the Bonds, will be approximately U.S.\$283 million.

The net proceeds from the issue of the Bonds will be used in part to repay a shareholder loan incurred by the Issuer for the purpose of acquiring the initial Exchange Property and the balance will be on-lent by the Issuer to other members of the CPF Group. The CPF Group intends to ultimately use the majority of the net proceeds for the purposes of repaying outstanding debt of CPF and the balance for general corporate purposes.

RISK FACTORS

Notwithstanding that this Offering Circular does not contain all information in relation to the Issuer, CPF, the CPF Group, CP ALL, the CP ALL Group, the Bonds or the CP ALL Shares that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Bonds, prior to making such a decision, prospective investors of the Bonds should carefully consider all the information set forth in this Offering Circular including the risk factors set forth below. THIS OFFERING CIRCULAR DOES NOT SET OUT ANY INVESTMENT CONSIDERATIONS OR RISK FACTORS RELATING TO THE BUSINESS OF CP ALL OR THE CP ALL GROUP, and the risk factors set out below do not purport to be complete or comprehensive in terms of all the investment considerations that may be involved in the businesses of the Issuer, CPF, the CPF Group, CP ALL, the CP ALL Group or the CP ALL Shares or any decision to purchase, own or dispose of the Bonds. There may also be risks which the Issuer, CPF or the Joint Bookrunners are currently unaware of, that they currently believe are immaterial or which are not disclosed herein, which may also impair the business, financial conditions, performance or prospects of the Issuer, CPF, the CPF Group, CP ALL or the CP ALL Group, or affect the market price of, liquidity and/or trading in, the Bonds or the CP ALL Shares.

Limitations of this Offering Circular

This Offering Circular does not contain any financial information or any business description (other than a summary description) of CP ALL. This Offering Circular does not purport to nor does it contain all information in relation to the Issuer, CPF, the CPF Group, CP ALL, the CP ALL Group, the Bonds or the CP ALL Shares that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Bonds

C.P. Merchandising Company Limited ("CPM") and the Issuer's equity interest in CP ALL was 31.77 per cent. as at 8 January 2014. Therefore, CP ALL is not a subsidiary of CPF or the Issuer and is an independently managed listed company. As such, CPF and the Issuer only have access to information that is also available to public shareholders of CP ALL and therefore this Offering Circular contains limited information regarding CP ALL based on such publicly available information. This Offering Circular does not contain any financial statements or any business description (other than a summary description) of CP ALL. Therefore, investors are advised to consult other public information regarding CP ALL not contained in this Offering Circular prior to making any investment decision.

This Offering Circular (or any part hereof) is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, CPF, the Trustee, the Agents or the Joint Bookrunners that any recipient of this Offering Circular or any such other document or information (or such part thereof) should subscribe for or purchase any of the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on any of the Issuer, CPF, the Trustee, the Agents or the Joint Bookrunners or any person affiliated with each of them in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

Any recipient of this Offering Circular contemplating subscribing for or purchasing any of the Bonds should determine for itself the relevance of the information contained herein and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the prospects and creditworthiness of the Issuer, CPF, the CPF Group, CP ALL or the CP ALL Group and their respective subsidiaries and associated companies (if any), the Terms and Conditions, the CP ALL Shares and any other factors relevant to its decision, including the risks and merits involved.

Risks Relating to the CPF Group

The availability and prices of major raw materials, livestock and processed foods may have an adverse impact on the CPF Group

The feed, farm and food businesses of the CPF Group depend on the availability of raw materials such as corn, soybean meal and fish meal, great-grandparent broodstocks and raw materials used for ready-meal food products. These raw materials are subject to price volatility caused by a number of factors, including changes in global supply and demand, foreign exchange rate fluctuations, weather conditions, governmental controls, transportation infrastructure, trade restrictions, cost of utilities and speculation in futures trading. Whilst the CPF Group attempts to minimise the impact of price volatility through the entry of derivative transactions, such derivative transactions from time to time may not necessarily result in lower costs for the CPF Group. There can also be no assurance that these raw materials will not be subject to significant price fluctuations in the future, or that price increases will be successfully passed on to customers.

The CPF Group's farm business involves the raising and sale of livestock, shrimp, fish and the production of basic processed meat. The prices at which the CPF Group can market such livestock, shrimp, fish and processed meats depend on the demand and supply at any point in time in the CPF Group's markets as well as the demand and supply of competing proteins and alternative processed meat products, especially in relation to pork and chicken. The demand and supply is a function of consumers' consumption demand and purchasing power, as well as market supply. Capacity expansion in recent years in the meat industry has led to an over-supply of meat in Thailand and some international markets. As a consequence, the average market price for meat had fallen below the cost of production and producers have had difficulty matching the cost to the selling price. The considerable scope for volatility in the supply and price of livestock, shrimp, fish and processed meat in the markets in which the CPF Group operates could materially and adversely affect the CPF Group's business, financial condition, results of operations and prospects.

Further, there may be disruptions in the supply of raw materials that may result in the CPF Group having to source such materials from alternative suppliers, to source substitute raw materials or to source materials at a substantially higher cost. Since the fourth quarter of 2012, the Thai shrimp industry (including the CPF Group) has been adversely affected by the outbreak of Early Mortality Syndrome ("EMS") at shrimp farms resulting from the ingestion by shrimp and shrimp fry of the *Vibrio Parahaemolyticus* bacteria, which resulted in an increase in the mortality rates of shrimp and shrimp fry, a significant fall in the supply of shrimp and shrimp fry to the market and a consequential increase in shrimp prices. The increase in the production cost of processed shrimp, which is a cost that cannot be entirely passed on to consumers, placed immense pressure on the profit margin of shrimp processing operations and contributed to the material decrease in the operating margin of the CPF Group's aquaculture business for the nine months ended 30 September 2013 to -7 per cent. from 12 per cent. for the same period in 2012. Whilst vertical integration may be able to mitigate some of the risk regarding disruptions in raw material supply, there can be no assurance that the CPF Group will be able to source shrimp and other raw materials from their own farms, at the quantities and at the cost levels it requires to achieve or maintain desirable profit margins for its operations. Any material increase in the market price or any significant shortage in the supply of the raw materials that the CPF Group requires could materially and adversely affect its business, financial condition, results of operations and prospects.

Outbreaks of disease among animals may significantly decrease demand for the CPF Group's products and severely disrupt the supply and distribution networks for those products

The meat and food products business of the CPF Group is subject to the risk of losses caused by outbreaks of disease among animals at any of the farms that it owns or with which it

contracts, with decreases in demand for products driving prices down and disruptions in supply pushing up costs. Several countries around the world have in recent years reported case of avian influenza, or bird flu, and cases in Asia have required producers to destroy their flocks and have restricted producers from transporting or selling their poultry. The swine influenza outbreak that occurred in 2009 also negatively impacted pork producers in Asia and globally. Further, since the fourth quarter of 2012, the Thai shrimp industry has been adversely affected by the outbreak of EMS, which resulted in a material disruption to the supply of shrimp and an increase to production costs of shrimp processors. Any new or continued outbreaks of such diseases could significantly decrease consumer demand for the products of the CPF Group's meat and food products business, as well as severely disrupt the supply and distribution networks for those products. There can be no assurance that the policies and controls put in place by the CPF Group in relation to its farm and food businesses will be successful in preventing disease outbreaks or recurrences, or that any actual or suspected outbreak of EMS, bird flu or any other disease affecting its food business will not occur. Any such event could materially and adversely affect the business, financial condition, results of operations and prospects of the CPF Group.

In addition, even if the CPF Group's business is not adversely affected by any diseases, such diseases may affect the confidence of customers in consumption of the relevant CPF Group products and may consequently lead to a decrease in the price of such meat and food products. An outbreak of disease in any of the jurisdictions in which the CPF Group operates could also result in governmental restrictions on the import and export of the CPF Group's products to customers. This could result in the cancellation of orders by customers and create adverse publicity that may have a material adverse effect on the business, financial condition, results of operations and prospects of the CPF Group.

Substantial indebtedness could impair the CPF Group's ability to fulfil its financial obligations. The CPF Group is also subject to refinancing risks associated with existing indebtedness, which may affect the ability of the CPF Group to meet debt and other obligations

As at 30 September 2013, CPF had consolidated total indebtedness of approximately THB173,786 million (U.S.\$5,295 million), including short-term debt of approximately THB63,016 million (U.S.\$1,920 million) and a consolidated ratio of net debt to equity (total indebtedness on a consolidated basis minus cash and cash equivalents then divided by total equity) of 1.20. The CPF Group's substantial indebtedness and the requirements and limitations imposed by debt covenants (including future covenants) could have important consequences. For example, they could:

- require the CPF Group to maintain certain financial ratios;
- limit the CPF Group's dividend payout ratio;
- limit the CPF Groups' ability to incur certain types of indebtedness;
- make it more difficult for the CPF Group to satisfy its debt obligations;
- require the CPF Group to dedicate a substantial portion of its cash flow to payments on its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate requirements;
- limit the CPF Group's ability to refinance debt obligations or incur new debt needed to finance working capital, capital expenditure or other requirements; and
- limit the CPF Group's flexibility in planning for, or reacting to, changes in business and the businesses in which it operates.

Certain of CPF's current outstanding corporate bonds require CPF to maintain a net liabilities to equity ratio (as calculated in accordance with the terms of those bonds) of not more than 1.15 times on a non-consolidated basis and not more than 2 times on a consolidated basis, each tested as at the statement of financial position date of CPF's 30 June and 31 December financial statements. CPF's net liabilities to equity ratio and other financial ratios, may vary and have in the past been higher in between testing dates than the ratio required to be maintained. CPF endeavours to manage its liquidity and leverage level to ensure compliance with debt covenants on each testing date but there can be no assurance that CPF will continue to be successful in that regard.

CPF currently has net liabilities to equity ratios lower than the ratios required to be maintained. However, if CPF incurs additional debt or if its existing obligations under the Irrevocable Undertaking were to be treated as debt or as a guarantee for the purposes of existing and future financial covenants under CPF's debt, it may cause CPF's net liabilities and net debt to equity ratios to increase. If the CPF Group is unable to meet its debt service obligations or comply with its debt covenants on each testing date, it could be forced to restructure or refinance its indebtedness, seek additional equity capital or sell assets. There is no assurance that any restructuring or refinancing would be possible, that additional financing could be obtained on acceptable terms, if at all, or that any assets could be sold or, if sold, the timing of the sales and the amount of proceeds that may be realised from those sales. An inability to effect these measures successfully could result in a declaration of default and an acceleration of some or all of its indebtedness, any of which would have a material adverse effect on the financial condition of CPF and the CPF Group.

Concerns regarding quality and safety of food products may expose the CPF Group to the risk of negative publicity, legal claims and regulatory actions

The sale of meat and food products involves a number of reputational, regulatory, legal and other risks in relation to food quality and safety. In the event that any of the CPF Group's products were to become contaminated, adulterated or misbranded, or if they are tampered with, the CPF Group may need to recall such products. Food safety defects, including product contamination, spoilage, product tampering or other adulteration, which may occur at any stage of production, transportation or storage, could result in product liability claims, as well as adverse publicity, damage to the CPF Group's reputation and a loss of consumer confidence in the CPF Group's meat and food products. Regulatory investigations, whether or not they directly involve the CPF Group's products, and new regulatory measures regarding food safety and quality that affect the CPF Group's product categories could also materially and adversely its business, financial condition, results of operations and prospects.

Any concerns regarding the quality and safety of food products may expose the CPF Group to the risk of legal claims and regulatory actions. The existence of such claims may tarnish the CPF Group's standing and market reputation. In addition, the reputational consequences of any claims may materially and adversely affect the CPF Group's business and operations. Moreover, if any such claims succeed, the CPF Group may become liable for the damages and other financial consequences, which may materially and adversely affect its financial condition and results of operations.

While the CPF Group maintains insurance coverage, there is no certainty that such insurance or indemnity will be adequate to satisfy all the claims arising from such claims. Any successful claims against a member of the CPF Group in excess of its respective insurance coverage or indemnity could materially and adversely affect its respective business, financial condition, results of operations and prospects.

Increasingly stringent safety, health and environmental laws and regulations may result in increased costs and liabilities for the CPF Group

The CPF Group's business is subject to a variety of laws, rules and regulations that impose limitations, prohibitions and standards with respect to health and safety as well as the use,

discharge, emission, treatment, release, disposal and management of regulated materials and waste and hazardous substances. Safety, health and environmental laws and regulations in the jurisdictions in which the CPF Group operates have become increasingly stringent and it is possible that these laws and regulations may become significantly more stringent in the future. The adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other development in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations as well as any costs related to fines and penalties.

Furthermore, if the measures implemented by the CPF Group to comply with these laws and regulations are not deemed sufficient by governmental authorities, compliance costs may significantly exceed current estimates. If the CPF Group fails to meet safety, health and environmental requirements, it may be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the CPF Group as well as orders that could limit or halt its operations. There can be no assurance that the CPF Group will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matter, the costs of which could be material. Environmental compliance and remediation costs at sites on which its facilities are located and related litigation and other proceedings could materially and adversely affect the business, financial condition, results of operations and prospects of the CPF Group.

The CPF Group is subject to risks associated with its international operations and exports from Thailand

The CPF Group has operations and investments in 11 countries outside Thailand and exports from Thailand to more than 40 countries. For the year ended 31 December 2012 and the nine months ended 30 September 2013, revenues from international operations and exports from Thailand accounted for 64 per cent. and 65 per cent. respectively of CPF's total consolidated sales. Future revenue growth from international operations and exports from Thailand depends upon the successful expansion of the CPF Group's international businesses and the management of its marketing and support teams in these countries. Such international operations and exports from Thailand have required, and may continue to require, that the CPF Group establish new offices, hire new personnel and manage businesses in disparate locations with different economies, legal systems, regulatory requirements, languages and cultures. In addition, the CPF Group is affected by various factors inherent in carrying out operations on an international scale and in exporting products to other countries such as:

- supply and demand of raw materials and products in each jurisdiction of operation;
- coordinating and managing international operations and exports from Thailand;
- political instability and related uncertainties;
- different economic and business conditions;
- difficulties in staffing and managing foreign operations and exports, including coordinating and interacting with local representatives and partners to fully understand local business and regulatory requirements;
- immigration and labour laws, including minimum wage levels, which may prevent the CPF Group from deploying or retaining an adequate number of employees in foreign countries;
- foreign currency exchange rate fluctuations;

- varying and possibly overlapping tax regimes, including the risk that the countries in which the CPF Group operates may impose taxes on inter-company relationships;
- exposure to different legal standards and enforcement mechanisms, including differing creditors' rights and insolvency regimes;
- restrictions on repatriation of earnings; and
- other regulatory changes affecting the CPF Group's business.

If the CPF Group is unable to efficiently manage these factors in each of the jurisdictions in which it has operations or investments, its business, financial condition, results of operations and prospects could be materially and adversely affected.

Future growth of the CPF Group's businesses will be driven by the CPF Group's ability to successfully implement its diversification and expansion strategy

CPF has recently embarked on a diversification and expansion strategy that includes expanding and diversifying the product offering of its international operations, increased focus on higher margin value added food products such as ready meal products. CPF has implemented this strategy through a series of acquisitions and investments. CPF may make further acquisitions and investments to enhance its product and brand portfolio and realise other strategic and cost benefits.

The diversification and expansion strategy of CPF involves a number of risks and challenges, including the substantial financial investments required to implement this strategy, diversion of management's time and resources to focus on implementing the strategy and managing a broader scope of businesses and risks inherent in making new investments. Growth through acquisitions involves business risks, including unforeseen contingent risks, latent business liabilities and other challenges that may only become apparent after the acquisition is finalised, retention of key personnel, joint sales and marketing efforts, management of a larger business and diversion of management's attention from other ongoing business matters. In addition, there is no assurance that the CPF Group will achieve the anticipated benefits, expected returns, strategic benefits or synergies of an acquisition or investment, or that the CPF Group will be as successful in a new business as it has been in its traditional businesses. Failure to successfully implement its diversification and expansion strategy, to integrate acquired businesses or to realise the anticipated benefits of acquisitions, investments or research could materially and adversely affect the CPF Group's costs of operations and its ability to achieve its growth targets.

Natural catastrophes and adverse weather conditions may materially disrupt the CPF Group's operations

Countries in which the CPF Group has operations have experienced and may be susceptible to various natural catastrophes and adverse weather conditions, including typhoons, floods, droughts and earthquakes, that may materially disrupt the business and operations of the CPF Group. These natural disasters adversely impact the agricultural sector, reducing crop outputs, damaging livestock farms, reducing the availability of raw materials, raising transportation costs and damaging infrastructure. In addition, natural catastrophes, such as flooding, can cause the discharge of effluents or other waste into the environment, potentially resulting in the CPF Group being subject to liability claims and further governmental regulation. Furthermore, disruptions to the transportation network caused by natural catastrophes may result in significant delays in the transportation and delivery of raw materials, processed meats

and food products between the CPF Group and its suppliers and customers, as well as to its food outlets and retail shops. Natural disasters or adverse weather conditions may also disrupt the day to day operations of the CPF Group's food outlets and retail shops. There can be no assurance that the CPF Group will be able to deal with any such natural catastrophes or adverse weather conditions, or that its insurance coverage will fully or substantially compensate them for the damages and economic losses it may suffer. As a result, the business, financial condition, results of operations and prospects of the CPF Group could be materially and adversely affected by such natural catastrophes and adverse weather conditions.

A significant portion of the CPF Group's sales are subject to short-term variability

As is common in the feed, farm and food industries in which the CPF Group operates, the CPF Group has few long-term contracts with its customers and, consequently, certain of its sales are subject to short-term variability resulting from the seasonality of, and other fluctuations in, demand for its products and exposure to its external parties. The CPF Group's customers have no obligation to place new orders following the expiration of their current obligations and may cancel, reduce or delay orders for a variety of reasons. The level and timing of orders placed by the CPF Group's customers may vary due to a number of factors, including:

- seasonality and other fluctuations in the demand for the CPF Group's products;
- competitiveness of the CPF Group's prices in the markets in which it operates; and
- customer satisfaction with the CPF Group's products and services.

If the CPF Group does not receive substitute orders, such events could result in a decrease in its facility utilisation rates, or an increase in storage and warehousing costs, which could materially and adversely affect the business, financial condition, results of operations and prospects of the CPF Group.

Changes in consumer preferences and purchasing power may negatively impact revenues from sales of food products and/or from food retail outlets

The ability of the CPF Group to successfully develop and launch new products and services and maintain demand for its existing products and services depends on the acceptance of such products and services by consumers and, to a lesser extent, on consumer purchasing power and disposable income, which may be adversely affected by unfavourable economic developments in the jurisdictions in which the CPF Group operates or to which it exports. Consumer preferences are subject to change for a variety of reasons, including changes in culinary, demographic and social trends, purchasing power or leisure activity patterns. If the marketing strategies of the CPF Group are not successful or if new products and services are not created or modified to suit prevailing consumer preferences, the CPF Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

Failure by the CPF Group to protect its reputation, trademarks and brands may have an adverse impact on its competitive position

CPF believes that its strong brand equity allows the CPF Group to maintain its market leading position in the Asia-Pacific region and provides it with a platform to introduce new products with a view to increasing its market share in the future. The CPF Group's various brands form a significant and valuable part of its feed, farm and food businesses. CPF seeks to protect its

intellectual property rights and reputation through patents, trademarks, copyright and/or trade secret laws and has licensed rights to use the  and other trademarks. Any failure by the CPF Group to obtain or adequately protect its reputation, proprietary or licensed trademarks, products or brands, or any change in law or other changes that could serve to weaken or remove the current legal protections of its intellectual property rights could reduce the value of the CPF Group's products and brands, adversely impacting the CPF Group's competitive position.

The CPF Group is exposed to foreign exchange rate fluctuation risk

The CPF Group undertakes transactions in foreign currencies in relation to the import and export of goods. The CPF Group also imports equipment and machinery, and undertakes international investments. As at 30 September 2013, CPF's consolidated interest bearing debt, which is denominated in foreign currencies other than the local functional currencies in the jurisdictions in which it has operations, was 2 per cent. of its total consolidated interest bearing debt.

Monetary assets and liabilities that are denominated in foreign currencies are exposed to the fluctuation of exchange rates which may result in the fluctuation of profits or loss. In addition, the financial reporting currency of CPF is Thai Baht. Therefore, any fluctuation in the exchange rates of foreign currencies against the Thai Baht may result in translation losses at the time of consolidation of foreign subsidiaries recognised in other comprehensive income, and accumulated in the currency translation differences in equity until the disposal of the investment. The fluctuation in the exchange rates of foreign currencies could also result in foreign exchange losses resulting from the revaluation of foreign currency denominated liabilities, including CPF's foreign currency denominated debt obligations. Consequently, a fluctuation in the Thai Baht against the US dollar or other currencies may result in translation losses which may materially and adversely affect the CPF Group's business, financial condition and results of operations. Between 30 September 2013 and 27 December 2013, the Thai Baht weighted-average interbank exchange rate depreciated by 4.6 per cent. against the US dollar.¹

While CPF uses derivative instruments from time to time to manage its exchange rate risk exposure, there can be no assurance that the value of the Thai Baht will not decline or continue to fluctuate significantly against the US dollar, and any significant future depreciation of the Thai Baht could materially and adversely affect the CPF Group's financial condition and results of operations.

In addition, changes in currency exchange rates may result in significantly higher domestic interest rates, liquidity shortages and capital or exchange controls. The occurrence of any of the foregoing events could materially and adversely affect the CPF Group's business, financial condition, results of operations and prospects.

Lack of financing could have an adverse impact on the CPF Group's ability to execute expansion and growth strategies

The expansion and growth plans of the CPF Group are expected to be funded through a combination of internally generated funds and external fund raising activities, including debt and equity financing. The continued availability of debt and equity financing as a source of funding and refinancing mature debt is subject to many factors, including applicable regulatory limitations, compliance with existing debt covenants, ability to service new debt, perception in the capital markets regarding the relevant issuing entity and other factors, some of which may be outside the control of the CPF Group, including general conditions in the debt and equity capital markets, political instability, economic downturns, social unrest and regulatory changes that increase the cost of borrowing or reduce its availability. There can be no assurance that

¹ See www.bot.or.th/English/Statistics/FinancialMarkets/ExchangeRate/_layouts/Application/ExchangeRate/ExchangeRate.aspx

the CPF Group will be able to arrange financing on acceptable terms, or at all. Any inability on the part of the CPF Group to obtain financing from banks and other financial institutions or from the capital markets could have an adverse impact on its ability to execute its expansion and growth strategies, which could materially and adversely affect their business, financial condition, results of operations and prospects.

Unexpected operational disruptions may have an adverse impact on the CPF Group

The facilities and operations of the CPF Group may be disrupted by many factors, including accidents, breakdown or failure of equipment or information technology systems, interruption in power supply, human error, natural disasters and other unforeseen circumstances and problems. Any such disruption could result in product shortages or spoilages, processing inefficiencies, customer service disruptions, facility shutdown, equipment repair or replacement, increased insurance costs, personal injuries, loss of life or unplanned inventory build-up. Security initiatives and business disruption recovery measures may not be effectively implemented or may not be adequate to ensure that operations are not disrupted. There can be no assurance that the CPF Group will be successful in preventing all operational disruptions, any of which could have a material adverse effect on the business, financial condition, results of operations and prospects of the CPF Group.

Failure by the CPF Group to recruit and retain key personnel may undermine its ability to maintain business growth

The CPF Group's success depends, in part, on its ability to recruit and retain employees who have advanced skills and technical expertise in its businesses.

Any loss of key personnel, any inability to hire or replace key personnel or to train and retain such personnel could materially and adversely affect the CPF Group's ability to provide products and services to its customers. Continued losses of trained personnel could also result in the incurrence of additional expenses in hiring and training replacement personnel in a competitive job market. In addition, the CPF Group has relied on the individual and collective contributions of its senior management team, who have significant experience in the feed, farm and food industries, and the CPF Group will continue to rely on their contribution to its business operations. If any key personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing business, the business of the CPF Group may be materially and adversely affected.

Work stoppages and labour disputes may have an adverse effect on the CPF Group's business

Although the CPF Group has not experienced significant strikes, work stoppages or other labour disruptions in the recent past, its business may be adversely affected in the event that any such disruption occurs. While CPF considers its labour relations to be good, there can be no assurance that there will not be any future labour disruptions to the CPF Group's operations due to disputes or other issues with its employees, which could materially and adversely affect its business, financial condition, results of operations and prospects. See also "Political conditions in Thailand will have a direct impact on CPF's business and the market price of the Bonds and the CP ALL Shares into which the Bonds are exchangeable".

Failure to manage any acquisitions that the CPF Group may make may cause its profitability to suffer

The CPF Group has in the past acquired and disposed of assets and may decide to make additional strategic acquisitions (or disposals to fund such acquisitions) in the future. The CPF Group evaluates acquisition opportunities from time to time and may make acquisitions in the

future, if suitable opportunities arise. However, it is possible that these opportunities may not be available on terms favourable to the CPF Group, or at all. This could be due to the deterioration of the CPF Group's business or financial condition, as well as economic or political conditions in Asia or other factors beyond the CPF Group's control.

Future acquisitions may require investments and may require additional debt or equity financing, which in each case may not be available on terms acceptable to the CPF Group, if at all. Acquisitions involve risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalised;
- unforeseen adverse changes to the acquired asset's business and operating environment;
- integration and management of the operations and systems;
- retention of select personnel;
- co-ordination of sales and marketing efforts; and
- diversion of management's attention from other ongoing business concerns.

If the CPF Group is unable to integrate the operations of acquired businesses successfully and manage such future acquisitions profitably, its growth plans may not be met and the CPF Group's results of operations and financial condition could be materially and adversely affected.

CPF faces risks relating to non-wholly owned subsidiaries, joint ventures and associates

CPF faces certain risks relating to non-wholly owned subsidiaries, joint ventures and associates. In the event that there are disagreements between CPF and the other shareholders in any of these entities, there can be no assurance that CPF will be able to resolve them in a manner that will be in CPF's best interests. Other shareholders in such companies may:

- be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with those of CPF;
- take actions contrary to CPF's instructions or requests or contrary to CPF's policies and objectives;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties; or
- have disputes with CPF.

Any of the foregoing could materially and adversely affect the CPF Group's business, financial condition, results of operations and prospects. Under the terms of the shareholders' agreements, disagreements or disputes between the shareholders may be required to be submitted to arbitration, which process may take time and there can be no assurance that such disagreements or disputes will be resolved in CPF's favour. Further, certain of these shareholders' agreements may contain restrictive covenants, which limit the CPF Group's operational flexibility and may require CPF to take decisions, which may not be in its best interest. Any disagreement with other shareholders or an inability to arrive at a consensus may adversely affect the CPF Group's business, financial condition, results of operations and prospects.

Risks Relating to the Structure

The Issuer is a special purpose vehicle with limited assets

The Issuer was incorporated specifically for the purpose of raising funds through the issuance of the Bonds and the net proceeds from the issuance of the Bonds will be used in part to repay a shareholder loan incurred by the Issuer for the purpose of acquiring the initial Exchange Property and the balance will be on-lent by the Issuer to other members of the CPF Group. The CPF Group intends to ultimately use the majority of the net proceeds for the purposes of repaying outstanding debt of CPF and the balance will be used for general corporate purposes. The Issuer provides certain restrictive covenants relating to its business (as set out in Condition 3(b) of the Terms and Conditions) including that it will not, as long as any Bond remains outstanding, engage in any business other than entering into the Transaction Documents (as defined in the Terms and Conditions) and related agreements and transactions, and performing any act incidental to or necessary in connection with the issue and operation of the Bonds (including those relating to the acquisition of the initial Exchange Property), applying the net proceeds of the Bonds in repaying the outstanding debts as of the issuance date of the Bonds, holding the Exchange Property (including, without limitation, voting any shares comprising the Exchange Property, participating in any corporate actions relating thereto and receiving any distributions or dividends thereon), purchasing any future Exchange Property, operating its bank accounts or any of the foregoing. In addition, the Issuer will be subject to other restrictions, as set out in Condition 3(b)(i) of the Terms and Conditions. As such, the Issuer has, and will have, no significant assets other than the Exchange Property. The obligations of the Issuer are not guaranteed by CPF, see "The Irrevocable Undertaking provided by the Sponsor is not a guarantee".

The Irrevocable Undertaking provided by the Sponsor is not a guarantee

CPF will enter into an irrevocable undertaking and indemnity with the Issuer, the Agents and the Trustee. Under the Irrevocable Undertaking, CPF will undertake that in the event that the Issuer does not have sufficient cash or other liquid assets to meet any of its indebtedness, liabilities, costs, expenses or other payment and delivery obligations under the Bonds, the Agency Agreement or the Trust Deed as they fall due, CPF will make available to the Issuer, before the due date of the relevant obligations, funds sufficient to enable the Issuer to meet such obligations through, without limitation, the purchase of additional shares in the Issuer or the provision of subordinated loans to the Issuer. In addition, the Trustee will have an indemnity claim under the Irrevocable Undertaking for any loss or damage suffered as a result of failure of the Sponsor to discharge its obligations under the Irrevocable Undertaking and non-payment or non-delivery under the Bonds, the Trust Deed or any other Transaction Document. See "Description of the Irrevocable Sponsor Undertaking Deed". However, neither the Irrevocable Undertaking nor any actions taken by CPF thereunder constitute a guarantee by CPF for the obligations of the Issuer. See "Description of the Irrevocable Sponsor Undertaking Deed" for further information.

Unlike a guarantee, none of the Trustee (when acting on behalf of the Bondholders) or the Bondholders will have any direct right of recourse to CPF under the Irrevocable Undertaking subject to the rights of the Trustee under the indemnity described below. Accordingly, in the event of a default on the part of the Issuer, CPF will only be obliged to make sufficient funds or other properties or assets available to the Issuer, rather than jointly or severally assuming the obligation of the Issuer. Such funds will form part of the general unsecured assets of the Issuer available to all unsecured and unsubordinated creditors of the Issuer. Therefore, the Trustee and Bondholders may not have exclusive rights to such funds. However, see Condition 3(b) for a description of the covenants which limit the possibility of there being other creditors of the Issuer, including Condition 3(b)(i)(2) which prohibits the Issuer from incurring any indebtedness for or in respect of moneys borrowed or raised (other than the Bonds and any shareholder loan the proceeds of which were used by the Issuer to acquire the Initial Exchange Property to be repaid from the net proceeds of the Bonds) or giving any guarantee or indemnity or incurring or assuming any other liability (except for operational liabilities of a routine or administrative nature) other than with respect to subordinated loans from the Sponsor.

If CPF fails to fund or support the Issuer's payment or delivery obligations, CPF has agreed in the Irrevocable Undertaking to indemnify the Trustee, so in the event of a default by CPF of its obligations under the Irrevocable Undertaking, the Trustee's primary recourse would be a claim for damages against CPF. Even though CPF has agreed and acknowledged the damages and indemnity that would be payable if it is in breach of the Irrevocable Undertaking as direct and foreseeable by it, there can be no assurance that, when the Trustee seeks enforcement of CPF's obligations under the Irrevocable Undertaking, including the agreed damages and indemnity pursuant to the Irrevocable Undertaking, a Thai court or another court in which proceedings may be brought will grant damages and indemnity to the extent of such agreed damages and indemnity nor that a liquidator of CPF would recognise and give effect to such payment.

Further, the purchase and remittance of foreign currency by CPF for the agreed damages may be subject to applicable exchange control regulations. In this regard, CPF has obtained a letter from the BoT on 22 November 2013 confirming that CPF may remit foreign currency outside of Thailand, to the Issuer or the Trustee, upon CPF's submission of required supporting documentation to the commercial banks acting as authorised agents of the Bank of Thailand. However, there can be no assurance that the BOT will not exercise further discretion nor impose any additional conditions or restrictions which may affect or delay the outward remittance.

Risks Relating to the Bonds and the Shares

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some bonds may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the bonds will perform under changing conditions, the resulting effects on the value of such bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) bonds are legal investments for it, (2) bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of bonds under any applicable risk-based capital or similar rules.

Bondholders have no security interest in the Exchange Property and the covenants imposed on the Issuer in connection with the Exchange Property are not a pledge

There is no security interest in relation to the Exchange Property, and covenants imposed on the Issuer in connection with the Exchange Property are not a pledge. The Trust Deed and Irrevocable Undertaking does not create any security interest in favour of the Bondholders either to secure the payment obligations arising under the Bonds or to secure the performance of the Exchange Rights thereunder. However, pursuant to Condition 3(b)(i)(10) the Issuer has undertaken not to create or permit to subsist any security interest over the Exchange Property. Accordingly, in the event of any insolvency of the Issuer, the Bondholders will rank on a *pari passu* basis with all other unsecured and unsubordinated creditors of the Issuer and will have no preference in respect of the Exchange Property. However, Investors should note Condition 3(b)(i)(2) which limits the Issuer's ability to incur any senior indebtedness in respect of moneys borrowed or raised or give any guarantee or indemnity thereof subject to limited exceptions.

The Bonds and the Irrevocable Undertaking are unsecured obligations

As the Bonds and the Irrevocable Undertaking are unsecured obligations, the repayment of the Bonds, and the Sponsor's ability to transfer of funds to the Issuer before the due date of the relevant payment under the Irrevocable Undertaking, may be adversely affected if:

- the Issuer or the Sponsor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Sponsor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Sponsor's indebtedness.

If any of these events were to occur, the Issuer's assets may not be sufficient to pay amounts due on the Bonds, or the Sponsor may not be able to make available to the Issuer (or may be constrained by a court or liquidator), before the due date of the relevant payment or delivery obligations, funds or other property or assets sufficient to enable the Issuer to meet such obligations in full.

In addition, under the negative pledge provisions of the Terms and Conditions (see “Terms and Conditions of the Bonds — Covenants — Negative Pledge”) and the Irrevocable Undertaking (see “Description of the Irrevocable Sponsor Undertaking Deed”), (i) CPF and its subsidiaries may create or have outstanding Relevant Indebtedness that is secured on the undertaking, assets or revenues of entities that do not fall within the definition of “Subsidiary” for the purposes of the negative pledge, including Charoen Pokphand Enterprise (Taiwan) Co., Ltd, C.P. Pokphand Company Limited and each of their respective subsidiaries while the equity capital of Charoen Pokphand Enterprise (Taiwan) Co., Ltd or C.P. Pokphand Company Limited, as the case may be, is listed on a stock exchange and (ii) CPF and CPF’s subsidiaries are permitted to create security interests over their undertaking, assets or revenues (including uncalled capital) with respect to any indebtedness that does not constitute “Relevant Indebtedness”, including but not limited to (a) bonds, notes, debentures, loan stock or similar securities denominated in Thai Baht of which at least one-half of the aggregate principal amount is initially distributed within Thailand, (b) secured exchangeable bonds subject to certain conditions, and (c) syndicated loans, without having to accord to the Bonds the same or similar security. To the extent any such permitted security interest is created over indebtedness in the future, the claims by creditors of such secured indebtedness will have priority to the undertaking, assets or revenues so secured over the claims under the Bonds or the Irrevocable Undertaking.

Finally, the Exchange Property has been deposited in a custody account in the name of, and for the benefit of, the Issuer, with MLI acting as custodian. The Exchange Property is deposited to facilitate hedging transactions by investors in the Bonds and not as security for the benefit of Bondholders. Therefore, from time to time the Exchange Property in the custody account will be less than the Exchange Property required to be delivered on exchange as a result of stock lending pursuant to the SLA. However, the Issuer will have a right of return of the Exchange Property pursuant to the SLA.

The Terms and Conditions contain provisions which may permit their modification without consent of all Bondholders and confer significant discretions on the Trustee which may be exercised without the consent of the Bondholders and without regard to the individual interests of particular Bondholders

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Terms and Conditions also provide that the Trustee may agree, without the consent of Bondholders, to any modification (except such modifications in respect of which an increased quorum is required pursuant to the Terms and Conditions and the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or the Trust Deed or the substitution of another company as principal debtor under any Bonds in place of the Issuer, in the circumstances described in Condition 16 (Meetings of Bondholders, Modification and Waiver, Substitution and Entitlement of Trustee).

If an investor holds bonds which are not denominated in the investor’s home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding

The Issuer will pay principal and interest on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “Investor’s Currency”) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange

controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (1) the Investor's Currency-equivalent yield on the Bonds; (2) the Investor's Currency equivalent value of the principal payable on the Bonds; and (3) the Investor's Currency equivalent market value of the Bonds.

A decline in the value of the Thai Baht relative to other currencies may have a material adverse effect on the value of the Shares deliverable upon exchange of the Bonds in other currencies

The Shares deliverable upon exchange of the Bonds are listed on the SET, where securities are quoted and traded in Thai Baht. If there are payments received in respect of such Shares, these payments will be paid in Thai Baht. A decline in the value of the Thai Baht relative to other currencies may affect, among other things, the value (in other currencies) of the proceeds that a holder receives upon a sale of such Shares or in respect of any other payments made and received on such Shares.

Bondholders will bear the risk of fluctuations in the price of the Shares

The market price of the Bonds at any time will be affected by, among other things, fluctuations in the trading price of the Shares. It is impossible to predict whether the price of the Shares will rise or fall. The trading price of the Shares will be influenced by, among other things, results of operations of CP ALL, sales of additional shares of CP ALL or securities exchangeable for or convertible into Shares, as well as political, economic, financial and other factors in the Thai market, all of which are beyond the control of the Issuer and the Sponsor. The Bondholders will bear the risk of a decline in the price of the Shares prior to maturity of the Bonds. Neither CPF nor the Joint Bookrunners can provide any assurance as to the future price level of the Shares or the Bonds.

The Bonds may have limited liquidity

The Bonds constitute a new issue of securities for which there is no existing market and, therefore, the Bonds offer limited liquidity. Application has been made to the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. The offer and sale of the Bonds is not conditional on obtaining a listing of the Bonds on the SGX-ST or any other exchange.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Bonds. The Joint Bookrunners are not obliged to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Bookrunners. If an active trading market for the Bonds does not develop or is not maintained, the market price and liquidity of the Bonds may be adversely affected. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the price at which the Bonds are issued depending on many factors, including:

- prevailing interest rates;
- the Issuer's, CPF's and CP ALL's results of operations and financial condition;
- the price and volatility of CP ALL Shares and the SET;
- political and economic developments in and affecting Thailand;
- the market conditions for similar securities; and
- the financial condition and stability of the Thai financial sector.

Bondholders will have no direct rights as holders of Shares before exchange

Unless and until the Bondholders acquire the Shares deliverable upon exchange, the Bondholders will have no rights with respect to the Shares, including any voting rights or rights to receive any dividends or other distributions with respect to the Shares. Upon exchange of the Bonds for the Shares, the holders will be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record date occurs after the relevant Exchange Date.

Bondholders have limited anti-dilution protection

The Exchange Property into which the Bonds may be exchanged on a *pro rata* basis will be adjusted in the event that there is a subdivision, consolidation or reclassification, a rights issue, bonus issue, reorganisation, extraordinary dividend or other adjustment, which affects the property comprising the Exchange Property, but only in the situations and only to the extent described in Conditions 8 and 9 of the Terms and Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Exchange Property. Those events may adversely affect the value of the Exchange Property and, therefore, adversely affect the value of the Bonds.

Risks attached to the exercise of exchange rights

Bondholders should be aware that the Bonds, being exchangeable for the Exchange Property, bear certain risks. Depending upon the performance of the Exchange Property, the value of the Exchange Property may be substantially lower at such time that Bondholders seek to exercise their Exchange Rights, than at the time when the Bonds were initially purchased. In addition, the value of the Exchange Property to be delivered may vary substantially between the date on which the Exchange Rights are exercised and the date on which such Exchange Property is delivered.

Further issues or sales of Shares

There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of Shares for future issue or sale, would have on the market price of the Shares prevailing from time to time and therefore on the price of the Bonds. Sales of substantial numbers of Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and, in turn, the Bonds. There can be no assurance that such sales of the Shares will not occur.

The Issuer may not be able to deliver the Exchange Property or the Cash Alternative Amount upon exchange

In the event that the Issuer does not have sufficient CP ALL Shares to deliver to exchanging Bondholders upon the exercise of their Exchange Rights or there are legal or regulatory restrictions on delivery of the Exchange Property, the Issuer may choose to pay to the exchanging Bondholders the Cash Alternative Amount. Even though the Sponsor has agreed to provide liquidity to the Issuer under the Irrevocable Undertaking, there can be no assurance that the Issuer will have sufficient funds to pay such Cash Alternative Amount. The Issuer may also choose to make purchases of CP ALL Shares in the open market to satisfy the exchanging Bondholders, but there can be no assurance that they will be successful in doing so or that they will have sufficient funds to acquire sufficient CP ALL Shares.

CP ALL has no obligations with respect to the Bonds

CP ALL has not been involved with the offering of the Bonds nor has it been involved in the preparation or establishment of the Terms and Conditions. As a consequence, there can be no

assurance that all events occurring prior to the date hereof that would affect the trading price of the CP ALL Shares (and therefore the price of the Bonds) are available to prospective investors. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning CP ALL could affect the trading price of the CP ALL Shares deliverable upon exchange of the Bonds and therefore the trading price of the Bonds. Further, CP ALL has no obligation with respect to the Bonds or amounts to be paid to the Bondholders, including any obligation to consider, for any reason, CPF's needs or Bondholders' needs. CP ALL will not receive any of the proceeds from the offering of the Bonds and are not responsible for, and has not participated in, the determination of the timing of, price for, or quantities of, the Bonds.

Risks Relating to Thailand

Non-enforceability of non-Thai judgements may limit an investor's ability to recover damages from CPF

All of CPF's directors and executive officers are residents of Thailand. In addition, the assets of CPF's directors and executive officers are located throughout the world, including Thailand. As a result, it may be difficult for investors to effect service of process upon CPF or its directors and executive officers outside Thailand or enforce against them judgments obtained in courts outside of Thailand.

Under Thai law, judgements entered by a non-Thai court, including actions under the civil liability provisions of the securities laws of foreign jurisdictions, are not enforceable in Thailand. An investor would have to bring a separate action or claim in Thailand. Although a non-Thai judgement could be introduced as evidence in a court proceeding in Thailand, a Thai court would be free to examine *de novo* issues arising in the case. Thus, to the extent investors are entitled to bring a legal action against the CPF Group, they may be limited in their remedies and any recovery and any Thai proceeding may be limited depending on the relevant court's discretion.

Political conditions in Thailand will have a direct impact on CPF's business and the market price of the Bonds and the CP ALL Shares into which the Bonds are exchangeable

The CPF Group and the CP ALL Group are subject to a political, economic, legal and regulatory environment in Thailand that differs in certain significant respects from that of countries with more developed economies. CPF's business, financial condition, results of operations and prospects may be influenced in part by the political situation in Thailand, which has been unstable from time to time. Since 2004, Thailand has experienced several periods of instability, including declarations of martial law and states of emergency in southern provinces in response to violence, and a coup in 2006 against the country's civilian political leadership, followed by a period of martial law until a new constitution came into effect in 2007. The return to civilian government was followed by the removal of the Prime Minister and election of his successor in 2008, and several significant demonstrations, culminating in violent protests in 2010 involving the deaths and injury of a number of people and destruction of property. States of emergency were declared in Bangkok and numerous other provinces, contributing to a turbulent atmosphere and the issuance of travel advisories by foreign governments including the United States, the United Kingdom and others. The current Government, which was formed in 2011, has undertaken several initiatives to promote growth, stability and political reconciliation in Thailand, but there can be no assurances as to the success of these reforms, or the potentially destabilising consequences such initiatives may have. On 11 November 2013, Thailand's senate defeated an amnesty bill, but opponents of the bill continued their protests against the government, which led to civil disobedience and mass demonstrations by protestors. On 9 December 2013, the parliament was dissolved upon the petition of Prime Minister Yingluck Shinawatra and new elections are currently scheduled for 2 February 2014.

It is not known if new elections will proceed as scheduled and what effects these events will have on Thailand's political and economic conditions, or whether the new Government might seek changes to Thailand's legal and regulatory environment. No assurance can be made that these events will not lead to further political demonstrations or slower economic growth, which could materially and adversely affect the CPF Group's and the CP ALL Group's business, financial condition, results of operations and prospects.

The Thai securities market is relatively small and the market price of the Bonds and the CP ALL Shares may be subject to greater volatility

The Thai securities market is not as large or as active as the securities markets in the United States and certain other countries. As a result, the Thai securities market has been less liquid and more volatile than many other markets. The market price of securities traded on the SET (including the Bonds and the CP ALL Shares) may be adversely affected by the lack of liquidity on the SET. In addition, the Asian financial crisis in 1997 adversely affected the Thai securities market, which has been characterised by increased volatility since 1997. These market characteristics may limit the ability of a holder of the Bonds or the CP ALL Shares to sell the Bonds or the CP ALL Shares and may also affect the market price of the Bonds or the CP ALL Shares. In September 1987, the SET established the Foreign Board on the exchange for trading shares registered in the name of non-Thai persons. From time to time, the volumes traded on the Foreign Board have been significantly lower compared to those traded on the Domestic Board. In addition, securities have at times traded on the Foreign Board at a premium to those quoted on the Domestic Board. There is no assurance that price differentials will or will not exist on any particular trading date, or that there will be sufficient liquidity on the Foreign Board on any particular future trading date to enable an investor to sell the Bonds or the CP ALL Shares at the price then quoted for trades on the Foreign Board.

Substantially all of the CPF Group's and the CP ALL Group's assets and operations are located in Thailand and they are subject to economic, legal and regulatory uncertainties in Thailand

A majority of the CPF Group's and substantially all of the CP ALL Group's assets and operations are located in Thailand. Consequently, the CPF Group and the CP ALL Group are subject to political, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. There is no assurance that the Thai economy will meet current projections or improve in the future. Any downturn in the Thai economy could have a material adverse effect on the CPF Group's and the CP ALL Group's business, financial condition, results of operations and prospects and the market price of the Bonds and the Shares into which the Bonds are exchangeable.

The CPF Group's and the CP ALL Group's businesses and operations in Thailand are subject to the changing economic conditions prevailing from time to time in Thailand. According to Thailand's National Economic and Social Development Board, Thailand's gross domestic product ("GDP") contracted by 2.3 per cent. in 2009 and grew by 7.8 per cent., 0.1 per cent. and 6.4 per cent. in 2010, 2011, and 2012, respectively. GDP is expected to grow between 3.8 per cent. to 4.3 per cent. in 2013.

Additionally, prior Governments have, in the past, intervened in the Thai economy and occasionally made significant changes in policy, including, among other things, foreign exchange control, policies concerning wage and price controls, capital controls and limits on imports, at times partially reversing such policies soon after the new policies were announced. Policy changes made by the Government and the Bank of Thailand have included the imposition (and subsequent reversal) of a one-year 30 per cent. unremunerated reserve requirement on foreign exchange inflows, under which any foreigner buying stock in Thailand had to place an extra non-interest bearing deposit. There is no assurance that the Government will not in the future impose restrictive foreign exchange controls that may affect the outward

remittance of funds, including dividends payable on the Shares, capital increase proceeds or subordinated loan proceeds by the Sponsor to the Issuer to ensure the liquidity of the Issuer. If outward remittance is restricted and the Sponsor does not have sufficient offshore sources to fund the Issuer, this may lead to a default under the Bonds. CPF's business, financial condition, results of operations and prospects and the market price of the Bonds and the Shares into which the Bonds are exchangeable may be adversely affected by future changes in Government policies.

Factors that may adversely affect the Thai economy include:

- global economic conditions;
- political instability;
- exchange rate fluctuations and the exchange control policy of the Bank of Thailand;
- a prolonged period of inflation or increase in regional interest rates;
- changes in taxation;
- changes in government policies affecting import and export volumes;
- declines in tourism;
- natural disasters, including tsunamis, earthquakes, fires, floods, drought and similar events;
- a potential recurrence or outbreak of avian influenza, severe acute respiratory syndrome or other infectious or contagious diseases in Thailand or other Asian countries;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the region;
- increases in oil prices and other commodity prices;
- consumer confidence;
- other external recessions or potential economic downturns in the United States, Asia or elsewhere in the world;
- other regulatory, political or economic developments in or affecting Thailand; and
- recent and threatened terrorist activities in Southeast Asia, including continued violence in the southern parts of Thailand.

Thailand's economy is also affected by global economic conditions. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that a return of the debt crisis in Europe, the prolonged Middle East unrest as well as rumours or threats or actual terrorist attacks or conflicts in the Middle East, Southeast Asia or other regions will impinge upon the health of the global financial system. These or other such events could adversely affect the CPF Group's and the CP ALL Group's business, financial condition, results of operations and prospects.

There is no assurance that the Thai economy will meet current projections or improve in the future. Any instability or economic downturn in Thailand could have a material adverse effect on the CPF Group's and the CP ALL Group's business, financial condition, results of operations and prospects and the market price of the Bonds and the Shares into which the Bonds are exchangeable.

Continued violence, terrorist attacks and other conflicts in Thailand and internationally could adversely affect CPF's business, financial condition, results of operations and prospects

Since January 2004, there have been a large number of casualties and injuries arising from violence particularly in southern Thailand, including most recently the fatal attacks in March 2012 in Yala and Hat Hai, as well as other fatal attacks in Bangkok and elsewhere. Continued violence could lead to widespread unrest in Thailand or a major terrorist incident in Thailand similar to those in other parts of Southeast Asia. If the security condition deteriorates and violence across Thailand, CPF's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, military operations and conflicts in Iraq, Afghanistan, Syria and elsewhere, as well as events occurring in response to or in connection with these operations or conflicts, including future terrorist attacks (or rumours or threats of such attacks) against targets in the Middle East, Southeast Asia, Africa or other regions, and related trade and tourism disruptions, may adversely impact the CPF Group's and the CP ALL Group's operations. business, financial condition, results of operations and prospects. Political or economic developments related to these crises could adversely affect the Thai economy and the global economy and could have a material adverse effect on the CPF Group's and the CP ALL Group's performance, financial conditions, results of operations and prospects.

The CPF Group's financial statements are prepared in accordance with TFRS, which differs from IFRS

The CPF Group is subject to financial reporting requirements of publicly listed companies in Thailand that differ in significant respects from those applicable to companies in certain other countries, including the United States and the United Kingdom. The CPF Group's financial statements are prepared in accordance with TFRS, which differs in certain material respects from IFRS. See "Summary of the Significant Differences Between TFRS and IFRS." The CPF Group has not (i) performed a reconciliation of the financial statements included in this Offering Circular to IFRS or (ii) quantified the differences between TFRS and IFRS with respect to such financial statements. If such a reconciliation or quantification had been performed, other material differences might have been identified and disclosed in the section of the Offering Circular entitled "Summary of the Significant Differences Between TFRS and IFRS". Accordingly, there is no assurance that the identified differences in the section of the Offering Circular entitled "Summary of the Significant Differences Between TFRS and IFRS" represent all material differences related to the CPF Group as at and for the years 2011 and 2012 and the nine months ended 30 September 2013.

CAPITALISATION AND INDEBTEDNESS OF THE SPONSOR

The following table sets out the consolidated capitalisation of the Sponsor as at 30 September 2013, as adjusted to give effect to the issue of the Bonds:

	As at 30 September 2013		As at 30 September 2013	
	Actual	As adjusted	Actual	As adjusted
	(THB millions)		(U.S.\$ millions)	
Current borrowings				
Overdrafts and short-term borrowings				
from financial institutions	46,896	46,896	1,429	1,429
Bills of exchange	8,754	8,754	267	267
Short-term borrowings from				
jointly-controlled entity and related				
company	311	311	9	9
Current portion of long-term debts	7,023	7,023	214	214
Current portion of long-term borrowings				
from related company	32	32	1	1
Total current borrowings	<u>63,016</u>	<u>63,016</u>	<u>1,920</u>	<u>1,920</u>
Non-current borrowings				
Long-term debts	110,770	110,770	3,375	3,375
Bonds to be issued ⁽¹⁾	—	9,532	—	290
Total non-current borrowings	<u>110,770</u>	<u>120,302</u>	<u>3,375</u>	<u>3,665</u>
Total borrowings	<u>173,786</u>	<u>183,318</u>	<u>5,295</u>	<u>5,585</u>
Equity				
Authorised share capital	7,743	7,743	236	236
Issued and paid-up share capital	7,743	7,743	236	236
Treasury shares	(1,135)	(1,135)	(35)	(35)
Premium on ordinary shares	36,463	36,463	1,111	1,111
Other premium	3,470	3,470	106	106
Surplus from change in equity in				
subsidiary	103	103	3	3
Legal reserve	821	821	25	25
Unappropriated	52,459	52,459	1,598	1,598
Other components of equity	5,483	5,483	167	167
Non-controlling interests	17,689	17,689	539	539
Total equity	<u>123,096</u>	<u>123,096</u>	<u>3,750</u>	<u>3,750</u>
Total capitalisation⁽²⁾	<u>296,882</u>	<u>306,414</u>	<u>9,045</u>	<u>9,335</u>

Notes:

- (1) The aggregate principal amount of the Bonds to be issued has not taken into account the effect of transaction costs and expenses.
- (2) Total capitalisation equals the sum of total borrowings and total equity.
- (3) There has been no material change to the Sponsor's total capitalisation since 30 September 2013.

DESCRIPTION OF THE ISSUER

Formation

The Issuer is a BVI Business Company incorporated under the BVI Business Companies Act, 2004 of the British Virgin Islands (BVI Company Number: 1791819). It was incorporated on 23 September 2013. The registered office of the Issuer is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The Issuer is a direct wholly-owned subsidiary of CPF.

Business Activities

As at the date of this Offering Circular, the Issuer has not engaged, since its incorporation, in any material activities other than those relating to the proposed issue of the Bonds (including those relating to the acquisition of the initial Exchange Property) and the authorisation of documents and agreements referred to in this Offering Circular to which it is or will be a party.

As at the date of this Offering Circular, the Issuer is the registered owner of 180,000,000 CP ALL Shares, which it has acquired with a shareholder loan from CPF. Such loan will be repaid on or about the Closing Date from the net proceeds of the Bonds. Such CP ALL Shares are held by MLI as custodian for the Issuer pursuant to the Custody Deed and may be lent to Bondholders via MLI pursuant to the SLA and may be dealt with in accordance with the Terms and Conditions.

Pursuant to the Trust Deed, the Issuer will covenant that so long as any Bond remains outstanding, save with the prior written consent of the Trustee or as approved by an extraordinary resolution of the Bondholders or as expressly contemplated or permitted in any of the Transaction Documents, it will not:

- engage in any business other than purchasing the initial and any future Exchange Property, holding the Exchange Property and exercising all rights relating thereto (including, without limitation, voting any shares comprising the Exchange Property, participating in any corporate actions relating thereto and receiving any distributions or dividends thereon), operating its bank accounts, lending or otherwise dealing with cash dividends received, entering into the Transaction Documents and related agreements and transactions, and performing any act incidental to or necessary in connection with the issue and operation of the Bonds, holding the Exchange Property, the Transaction Documents or any of the foregoing;
- other than with respect to subordinated loans from the Sponsor, directly or indirectly incur any indebtedness for or in respect of moneys borrowed or raised (other than the Bonds and any Shareholder loan, the proceeds of which were used by the Issuer to acquire the initial Exchange Property, to be repaid from the net proceeds of the Bonds) or give any guarantee or indemnity or incur or assume any other liability (except for operational liabilities of a routine or administrative nature);
- other than to the Sponsor, issue any shares (other than such shares as are in issue on the Closing Date or pursuant to a capital increase for the purposes of funding any administrative expenses or any payment in respect of the Bonds or the Trust Deed) or declare any dividend or distribution to its shareholders;
- amend or alter any of the provisions of its articles of association or other constitutional documents as amended and restated other than of a minor or technical nature, to reflect an injection of capital by the Sponsor or that will not (in the opinion of the Trustee) be materially prejudicial to the Bondholders;

- waive any rights it may have against the Sponsor pursuant or in connection with the Irrevocable Undertaking;
- have any Subsidiaries or employees (excluding any director);
- consolidate or merge with any other person or convey or transfer its properties or assets to any person substantially as an entirety;
- take any action for its winding-up, dissolution or administration, or anything analogous thereto;
- change its jurisdiction of incorporation from the British Virgin Islands;
- create or permit to subsist any security interest or any arrangement having a like or similar effect upon the Exchange Property; or
- transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of the Exchange Property (except pursuant to the SLA or the Terms and Conditions or on exercise of the Exchange Rights).

Directors and Officers

The directors of the Issuer are Mr. Montri Suwanposri and Mrs. Surang Wongrungrakit. None of the directors of the Issuer holds any shares or options to acquire shares of the Issuer. The Issuer does not have any employees and has no subsidiaries.

Share Capital

The Issuer is authorised to issue a maximum of 1,000,000 ordinary shares of a single class with a par value of U.S.\$1.00, of which 10,000 ordinary share is issued and paid-up. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

Financial Information

As at the date of this Offering Circular, save for the issue of the Bonds, the transactions pursuant to the SLA and other activities reasonably incidental thereto (including those relating to the acquisition of the initial Exchange Property), the Issuer had no businesses nor assets (other than the initial Exchange Property) and therefore, it has not prepared any financial information since its incorporation.

There has been no material change in the consolidated capitalisation of the Issuer since 28 September 2013 other than the shareholder loan which will be repaid after the Closing Date.

DESCRIPTION OF CPF AND THE CPF GROUP

Overview

Charoen Pokphand Foods Public Company Limited (“CPF”), together with its subsidiaries (the “CPF Group”) is a leading agro-industrial and food conglomerate headquartered in Thailand. The CPF Group has become a prominent participant in the agri-food industry, particularly through its vertically integrated business model in Thailand that combines efficient, high-standard production and processing facilities, genetic research, and systems that facilitate ongoing monitoring and control over the variables of health, diet, environment and hygiene at each stage of the food value chain. CPF was the largest agro-industrial and food company listed in Thailand as at 30 September 2013.

The CPF Group’s livestock business focuses on chickens (mainly broilers, which are specifically raised for meat and, to a lesser extent, layers, which are raised for their eggs), swine, duck and other animals while its aquaculture business focuses on shrimp and fish. The businesses could also be categorised according to three main product categories as follows:

- *The feed business*, involving the manufacture and sale of livestock and aquatic feed;
- *The farm business*, involving livestock/aquatic breeding, farming and basic meat processing; and
- *The food business*, involving the manufacture of partially-cooked and fully-cooked meat, the production of cooked and partially-cooked food products and ready-to-eat meal products, as well as the operation of restaurants and food outlets.

The CPF Group’s operations in Thailand are vertically integrated with operations in each of the feed, farm and food product stages. Its Thai operations involve both domestic sales and exports (together constituting 45 per cent. of consolidated revenues in 2012 and 42 per cent. of revenues for the nine months ended 30 September 2013). The CPF Group also has a significant international presence which comprises operations in 10 countries outside Thailand (constituting 55 per cent. of revenues in 2012 and 58 per cent. of revenues for the nine months ended 30 September 2013) as well as investment in a company located in Cambodia. CPF exports to over 40 countries including the United States, France, Germany, the Netherlands, Spain, the United Kingdom and Japan.

The CPF Group’s feed and farm businesses operates in a cyclical industry and its results are affected by fluctuations in commodity prices for commodities such as corn, soybean meal and fish meal. Additionally, some of the key factors influencing its feed, farm and food businesses are animal diseases, customer preferences and demand for its products; its ability to maintain and grow relationships with customers; the introduction of new and innovative products to the marketplace; accessibility to international markets for its products including the effects of any trade barriers; and operating efficiencies of its facilities.

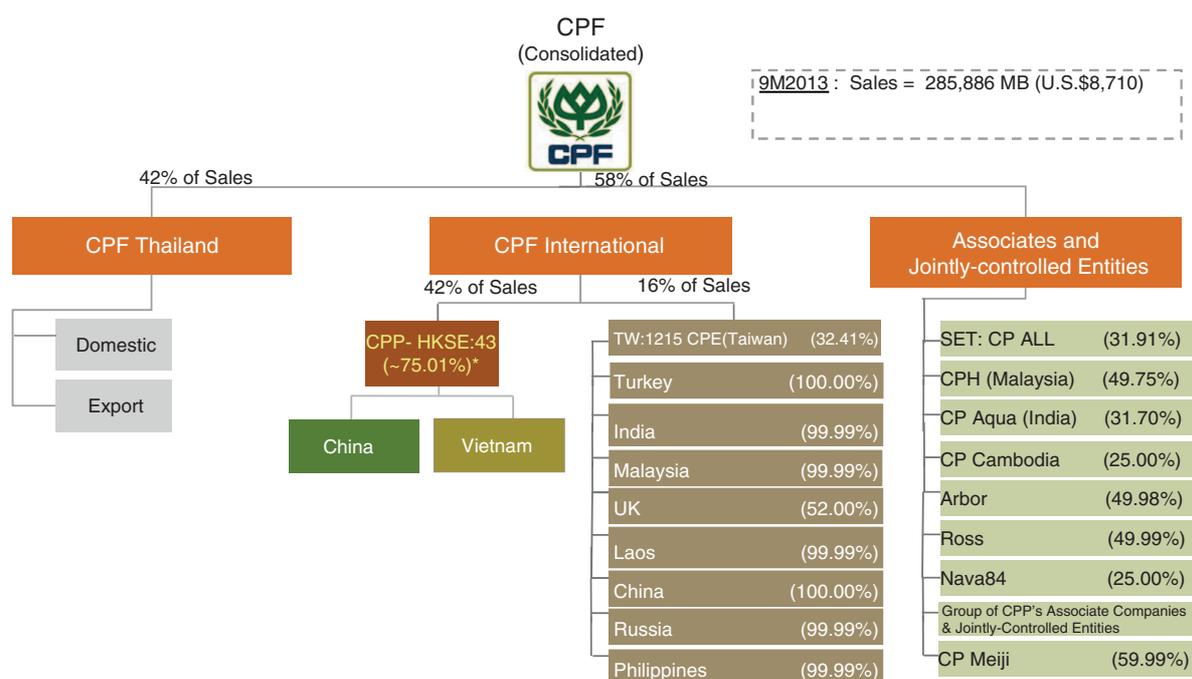
As at 26 August 2013, Charoen Pokphand Group Co., Ltd. (“CPG”), its subsidiaries and associates (the “CPG Group”) held 45.09 per cent. of the issued share capital of CPF. See “Principal Shareholders”. CPG is a Thai multinational conglomerate with core businesses in the agro-industry and food, retail and telecommunications sectors.

CPF has been listed on the SET since 1987 under the trading symbol “CPF”, and has two listed subsidiaries, CPP, a company listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) that primarily focuses on the manufacturing and distribution of animal feed in China, and fully integrated livestock and aquaculture business in Vietnam and Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (“CPE”), a company listed on the Taiwan Stock Exchange that operates a livestock integration business in Taiwan. As at 30 September 2013, CPF, through CPM, its 99.99 per cent. owned subsidiary, and Bangkok Produce Merchandising PLC, its 99.44 per cent. owned subsidiary, was the single largest shareholder of CP ALL, which operates the ‘7-Eleven’ franchise in Thailand. See “Description of CP ALL”.

In addition, as at 30 September 2013, the CPF Group held approximately 255 million shares in True Corporation Public Company Limited (“TRUE”) indirectly via Bangkok Produce Public Company Limited representing 1.74 per cent. of TRUE’s total outstanding shares. The CPF Group also held approximately 355 million CPF treasury shares indirectly via CPF Thailand PLC, Bangkok Produce Merchandising PLC and Plenty Type Limited representing 4.6 per cent. of CPF’s total outstanding shares.

Operating Structure and Results

The following chart sets out the simplified operational structure of the CPF Group as at 30 September 2013.



Note: % represent per cent. holding by CPF, both direct and indirect

* Based on issued shares only

The following tables set out key operating data for each of the CPF Group's business divisions in the years ended 31 December 2011 and 2012 and the nine month periods ended 30 September 2012 and 2013.

	Consolidated Sales					
	For the year ended 31 December			For the nine months ended 30 September		
	2011	2012	2012	2012	2013	2013
	(THB million)	(THB million)	(U.S.\$ million)	(THB million)	(THB million)	(U.S.\$ million)
Livestock						
Thailand	113,658	117,734	3,587	85,754	99,236	3,024
Domestic	98,564	101,762	3,100	74,678	86,584	2,638
Export	15,094	15,972	487	11,076	12,652	386
China ¹	—	90,049	2,744	64,721	72,430	2,207
Vietnam	—	36,669	1,117	25,914	32,662	994
Others	40,373	44,940	1,369	33,726	34,841	1,062
Total livestock	154,031	289,392	8,817	210,115	239,169	7,287
Aquaculture						
Thailand	40,491	41,690	1,270	31,382	21,051	641
Domestic	26,994	26,800	817	20,894	12,732	388
Export	13,497	14,890	453	10,488	8,319	253
China ¹	—	9,362	285	8,354	9,055	276
Vietnam	—	6,947	212	5,321	6,882	210
Others	11,577	9,784	298	7,783	9,729	296
Total aquaculture	52,068	67,783	2,065	52,840	46,717	1,423
Total consolidated sales.	206,099	357,175	10,882	262,955	285,886	8,710

¹ Limited to the CPP and its subsidiaries' operations in China.

Consolidated Sales

	For the year ended 31 December			For the nine months ended 30 September		
	2011	2012	2012	2012	2013	2013
	(THB million)		(U.S.\$ million)	(THB million)		(U.S.\$ million)
Thailand	154,149	159,424	4,857	117,136	120,287	3,665
Domestic	125,558	128,562	3,917	95,572	99,316	3,026
Feed	51,704	56,471	1,720	42,353	38,375	1,169
Farm	58,349	54,048	1,647	40,163	46,123	1,405
Food	15,505	18,043	550	13,056	14,818	452
Export	28,591	30,862	940	21,564	20,971	639
Feed	1,462	344	10	238	311	10
Farm	6,107	7,552	230	5,398	4,897	149
Food	21,022	22,966	700	15,928	15,763	480
International	51,950	197,751	6,025	145,819	165,599	5,045
China ¹	—	99,411	3,029	73,075	81,485	2,483
Feed	—	99,411	3,029	73,075	81,485	2,483
Farm	—	—	—	—	—	—
Food	—	—	—	—	—	—
Vietnam	—	43,616	1,329	31,235	39,544	1,204
Feed	—	22,621	689	16,548	19,349	589
Farm	—	20,371	621	14,282	19,444	592
Food	—	624	19	405	751	23
Others	51,950	54,724	1,667	41,509	44,570	1,358
Feed	25,994	26,289	801	19,724	20,985	639
Farm	23,371	25,308	771	19,439	20,762	633
Food	2,585	3,127	95	2,346	2,823	86
Total consolidated sales.	<u>206,099</u>	<u>357,175</u>	<u>10,882</u>	<u>262,955</u>	<u>285,886</u>	<u>8,710</u>

¹ Limited to CPP and its subsidiaries' operations in China.

The CPF Group's total sales in 2012 were THB357,175 million (U.S.\$10,882 million), an increase of 73 per cent. from THB206,099 million (U.S.\$6,279 million) in 2011. Total sales for the nine months ended 30 September 2013 were THB285,886 million (U.S.\$8,710 million), an increase of 9 per cent. from THB262,955 million (U.S.\$8,011 million) for the same period in 2012. The increases in sales was primarily on account of operational sales growth in Thailand of 3 per cent. and 3 per cent. for the relevant periods, as well as international sales growth of 281 per cent. and 14 per cent. for such periods. Share of profits of associates and jointly-controlled entities comprised 22 per cent. of net profit attributable to equity holders of the CPF Group in 2012, and 73 per cent. for the nine months ended 30 September 2013. In 2012, the CPF Group faced many challenges, including the fluctuation of raw material prices resulting in higher production costs, the outbreak of EMS, as well as the over-supply of meat in both the domestic market, and in many other countries.

Severe drought in the United States of America in 2012 caused the price of maize and soybean meal, which are the major raw materials for feed production to increase steeply. As a result, the production cost of raising animal protein increased accordingly, when compared to 2011.

In addition, the over-supply of meat, especially in Thailand, as a result of supply expansion in the meat industry, led to the average market price for meat being lower than the cost of production. As the oversupply of meat in Thailand has alleviated in 2013, partly due to the reduction in supply within the Thai market, livestock prices in Thailand have improved during the nine month period ending 30 September 2013. Due to the recovery in prices as well as lower feed costs, during the three month period ending 30 September 2013, the CPF Group's livestock business, particularly its operations in Thailand and Vietnam, outperformed the last two quarters with operating margins for the livestock segment reaching 5 per cent. compared to 2 per cent. for the three month period ending 30 June 2013 and 2 per cent. for the three month period ending 31 March 2013. Whilst swine and broiler meat prices have seen some recovery since the first half of 2013 and raw material prices have decreased in 2013, there is no assurance that these trends will continue in Thailand or elsewhere. Since the second half of 2013, for example, broiler prices in Turkey and India have fallen as a result of an over-supply of meat in the Turkish and Indian markets.

Since the fourth quarter of 2012, the Thai shrimp industry (including the CPF Group) has been adversely affected by the outbreak of EMS, which has resulted in a dramatic fall in the supply of shrimp and shrimp fry to the market and a consequential increase in shrimp prices as a result of the much higher market rates of shrimp and shrimp fry. The EMS outbreak put significant pressure on the profit margin of shrimp processing operations and was a key contributor to the decrease in sales from aquaculture operations as a percentage of total sales from 20 per cent. for the nine months ended 30 September 2012 to 16 per cent. for the nine months ended 30 September 2013 and the dramatic decrease in the operating margins of the aquaculture business from 16 per cent. (for Thailand operations) and 7 per cent. (for international operations) for the nine months ended 30 September 2012 to -14 per cent. (for Thailand operations) and -0.2 per cent. (for international operations) for the nine months ended 30 September 2013. The CPF Group's aquaculture business continued to be loss making in the third quarter of 2013 as the volume of shrimp the CPF Group produced has not fully recovered due to EMS, prompting the CPF Group to purchase shrimp externally at high price to supply its shrimp processing plant. The CPF Group has implemented a combination of feeding, breeding and cleaning techniques at its shrimp farms in order to mitigate the effects of EMS and has been educating independent shrimp farmers on such techniques to encourage their return to the shrimp farming business. The CPF Group is also conducting research as to the causes of the disease so as to prevent an escalation of the outbreak. Though the CPF Group has implemented procedures to mitigate the impact of EMS and has been educating independent shrimp farmers on such procedures and are conducting research as to the causes of the disease so as to prevent an escalation of the outbreak, there can be no assurance of the speed of recovery, both at the CPF Group's shrimp farms as well as third party shrimp farms, or that recovery would outpace new outbreaks so as to result in an increase in Shrimp supply and a corresponding decrease in costs for shrimp processors. See "Risk Factors — Risks Relating to the CPF Group — Outbreaks of disease among animals may significantly decrease demand for the CPF Group's products and severely disrupt the supply and distribution networks for those products".

History

Please refer to "International Operations" in this section for a description of each of the CPF Group's country specific operations.

- | | |
|------|--|
| 1978 | <ul style="list-style-type: none"> • Registered under the name "Charoen Pokphand Feedmill Company Limited" to produce and distribute animal feed in southern Thailand |
| 1987 | <ul style="list-style-type: none"> • Listed ordinary shares on the SET with the trading symbol "CPF" |
| 1994 | <ul style="list-style-type: none"> • Converted to a Public Company Limited |

- 1998
 - Acquired ordinary shares in three agro-industrial public companies in Thailand
- 1999
 - Acquired ordinary shares in nine agro-industrial and food companies which transformed CPF into a fully integrated and nationwide agro business operating in both livestock and aquaculture
 - Renamed as “Charoen Pokphand Foods Public Company Limited”
- 2002
 - Invested in the United Kingdom and now operates businesses that produce chilled food products for sale within the European Union
 - Invested in China and currently operates businesses in the manufacturing and distribution of animal feed as well as aquatic farming
- 2004
 - Acquired a business in Turkey that operates businesses in the manufacturing and distribution of livestock feed, and a fully-integrated chicken business
- 2005
 - Acquired the ‘Five Star’ food kiosk business which currently operates a chain of food kiosks using a franchise system
 - Increased shareholding in a subsidiary in India from 19.0 per cent. to 71.2 per cent. and currently operates businesses in the manufacturing and distribution of animal feed as well as animal farming in India
 - Invested in Malaysia and currently operates a fully integrated shrimp business
- 2006
 - Started a retail business called ‘CP Fresh Mart’ which retails fresh and cooked meat, as well as ready-to-eat products
 - Invested in Russia and now operates businesses in the manufacturing and distribution of livestock feed and livestock farming
 - Invested in Laos and now operates businesses in the manufacturing and distribution of livestock feed and livestock farming
 - Began production of ready-to-eat products under the ‘CP’ brand for domestic and international distribution
- 2007
 - Invested in the Philippines and now operates businesses in the manufacturing and distribution of livestock feed and livestock farming
- 2009
 - Acquired 32.41 per cent. of issued shares in a company listed on the Taiwan Stock Exchange and now operates businesses in the manufacturing and distribution of livestock feed, as well as livestock farming and food processing
- 2010
 - Reclassified CPF’s industry sector from ‘Agribusiness’ to ‘Food and Beverage’ on the SET
- 2011
 - Acquired 25 per cent. of issued shares in a company based in Cambodia which currently operates businesses in the manufacturing and distribution of animal feed, as well as animal farming and food processing
 - Started a retail business under the super convenience store concept called ‘CP Fresh Mart Plus’

- Started a fast-food serving restaurant business in Thailand called ‘CP Kitchen’
- 2012
- Acquired 99.99 per cent. of issued shares of a company based in Malaysia which currently operates businesses in swine farming, a swine abattoir and a retail business in Malaysia
 - Acquired 76.13 per cent. of the issued shares in a company listed on the Hong Kong Stock Exchange which currently operates businesses in the manufacturing and distribution of animal feed in China, as well as the agro-industrial and food business in Vietnam
 - Acquired 99.99 per cent. of issued shares in Chester’s Food Co., Ltd. which currently operates a fast-food restaurant business in Thailand
 - Started a food court business called ‘CP Food World’ in Thailand
- 2013
- Acquired, through CPP, 100 per cent. of the issued shares in a company based in China which is involved in the manufacture and distribution of meat-processing, ready-meals and ready-to-eat products
 - Acquired 59.99 per cent. of the issued shares in CP-Meiji Company Limited, a company based in Thailand which is involved in the manufacture and distribution of dairy products
 - Acquired 69.70 per cent. of the issued shares in a company based in Norway which currently operates a swine farming business in Russia
 - In the second quarter of 2013, CPP established Zhoukou Chia Tai Co., Ltd. and Guangxi Chia Tai Financing Guarantee Co., Ltd. with combined registered capital of RMB150,000,000 as part of the China feed business
 - In January 2013, CPP established Chia Tai Food Enterprise (Qingdao) Co., Ltd. with registered capital of U.S.\$85,700,000

Competitive Strengths

The management of CPF believes it has the following competitive strengths:

The CPF Group’s continuous investment in production innovation helps it to capture future growth.

The CPF Group considers its commitment to research and development as one of the key reasons for its success. CPF is working towards improving the efficiency of its production process with the aim of developing safe and high quality products while maintaining cost competitiveness. In addition, the CPF Group is introducing value-added products to the market, which help to improve its profitability and reduce earnings volatility.

- *Animal Feed Business*

The CPF Group strives to produce quality animal feed with a good feed conversion rate which ultimately reduces production costs. The CPF Group has introduced and developed advanced technologies to ensure effective and efficient animal feed production. Some examples include:

- i. computer controlled systems to monitor the production process that comply with international standards of traceability;

- ii. automated formulation and production processes using raw materials such as corn, soybean meal and broken rice for quality control and to promote production efficiency;
- iii. quality checks to ensure that the animal feed is suitable for farming, resulting in a good feed conversion ratio; and
- iv. a practical and efficient inventory management system using large silos that allow the CPF Group to build up raw material inventory to hedge against price rises. This way, the CPF Group is able to manage and reduce fluctuations in costs.

- *Farming Business*

The CPF Group differentiates its farm business through the application of well-known industry best practices to a wide array of its animal production processes. For example, the CPF Group's animal broodstocks are selected from the best breeds and are well-suited to farming conditions in different production areas. By using natural processes that do not involve the use of bio-chemical inputs, the CPF Group is able to obtain quality breeds that are disease-free, suitable to the breeding environment and in line with consumer needs. This allows the CPF Group to introduce new products which suit changing consumer trends, such as Kurobuta pork and Tubtim fish.

Some specific examples of innovative technologies currently being used by the CPF Group include:

- i. a closed farm, evaporative cooling and bio-secure system where the CPF Group is able to control the farm environment and prevent the spread of disease. This was highly effective in helping the CPF Group to control the spread of bird flu;
- ii. an automated waste minimisation system which also helps control pollutant levels; and
- iii. a green farm management system which is used throughout the production process, including site preparation, feeding, disease prevention, quality control, farm waste recycling, energy saving and the reduction of carbon emissions.

- *Food Business*

The CPF Group places great importance on research and development to add value to its meat products, as well as to create new recipes to satisfy evolving consumer tastes and preferences and expand its market share. The CPF Group adheres to animal welfare standards and modern production technologies that meet international regulations. For example, the CPF's Group's chicken processing plants in Thailand have been certified under the Assured Chicken Production Standard (Red Tractor Assurance), a poultry welfare standard from the United Kingdom and a globally recognised manufacturing standard for the poultry industry. In addition, certain of the CPF Group's products have received awards in recognition of their high quality, taste and safety for consumption. As an example, in August 2013, sausages developed using CPF's taste, quality and freshness preservation technology were awarded 3 medals at the International Sausage Quality Competition

at the International Trade Fair for the Meat Industry (IFFA), the world's leading trade fair for the meat-processing industry. As another example, CP Glazed Teriyaki Chicken and CP Shrimp Wonton Soup were both winners in the Singapore Women's Weekly Domestic Diva Awards 2011.

Geographical diversification with presence in 12 countries which include high growth emerging markets.

The CPF Group has built up an extensive international presence through acquisitions and organic growth since 1999. Currently, the CPF Group's operations and investments span 12 countries, with the majority of operations and investments located in Asia where meat consumption has been on a high growth trajectory, driven by increasing disposable income. Specifically, CPF has a presence in rapidly developing economies such as Thailand, China, Vietnam and India. These countries' relatively large populations and attractive demographics have led to high growth and promising trends in demand in each country. Furthermore, the CPF Group also exports to over 40 countries on five continents. The CPF Group's presence in each country varies, ranging from full production businesses to representative offices, depending on the suitability of each market. The CPF Group intends to leverage its expertise in research and development and innovation to enter new markets and eventually become vertically-integrated across the feed, farm and food value chain in multiple regions so as to enhance its global presence.

This diverse geographic portfolio provides flexibility in production planning and marketing ensuring a natural risk diversification for the CPF Group by allowing it to adjust its strategy and operations and leverage on potential demand-supply mismatch in different regions

A vertically integrated business model.

CPF's vertically integrated agro-industrial business model allows the CPF Group to maintain its high safety standards and quality control, hence ensuring traceability, which the CPF Group believes has become a key global food safety standard for this industry. CPF uses synergies within the CPF Group to reduce production costs, for example, operations in Thailand are fully integrated across all feed, farm and food businesses. The centralised production planning provides economies of scale and allows for operational flexibility ensuring that CPF can adapt swiftly to changing market dynamics by quickly tailoring its product offerings, including introduction of new products. In an industry with rapidly changing regulations and trade barriers relating to food safety, this vertically integrated operation model is one of the key strengths of the CPF Group.

Experienced management team.

The CPF Group has an experienced management team with a proven track record. The CPF Group's management team has helped the CPF Group to establish its leading position in the farm and food industries in Thailand, across Asia and globally. Over the past 10 years, the CPF Group has grown significantly and has acquired businesses to strengthen its global presence. CPF's market capitalisation also increased significantly from THB28,113 million (U.S.\$857 million) as at 30 September 2003 to THB185,831 million (U.S.\$5,662 million) as at 30 September 2013, representing a 20.8 per cent. compound annual growth rate. The CPF Group has experienced periods of economic growth as well as downturns, and the CPF Group's management has helped the CPF Group acquire and develop new businesses, such as retail, with the introduction of more than 600 branches of CP Fresh Mart and the launch of new retail products, including cooked, semi-cooked and ready-to-eat food products. The CPF Group's management has demonstrated its proactive approach by addressing global concerns afflicting their industry, such as EMS, swine flu and the bird flu. The CPF Group's management is highly regarded in the industry and holds a variety of leadership positions in different industry organisations.

Business Strategy

The CPF Group aims to become the world's leading agri-food company, under the vision to be "The Kitchen of the World". The CPF Group has identified three key business strategies:

Pursue Continued Growth

The CPF Group firmly believes in the long-term prospects of the global agri-food industry and anticipates rising demand in all phases of the CPF Group's value chain. The CPF Group's strategy is to continue to grow its operations to meet increasing demand, both domestically and internationally. The CPF Group will continue to actively seek out opportunities in fast growing markets and regions to expand its production capacity through setting up new facilities or making related acquisitions. For example, in July 2013, CPF announced the acquisition of RBPI, a high-efficiency piglet farm in Russia with strong management expertise. CPF's Hong-Kong listed subsidiary, CPP, also has multiple expansion plans to grow the CPF Group's presence in China. The CPF Group aims to expand by primarily focusing on value-added products, which can be locally tailored to suit different customer preferences. The CPF Group intends to increase its revenue from sales of food products, which accounted for 12 per cent. of consolidated total revenue for the nine months ended 30 September 2013, in order to enhance the stability of the CPF Group's earning profile, improve profit margins in the long-term and diversify the CPF Group's operations to include less-volatile products. The acquisition of 59.99 per cent. of the shareholding in CP Meiji is one such example, whereby CPF acquired a growing milk business to further expand into the downstream food business.

Maintain Operational Excellence

Operational excellence and advanced technological development are important to the continued success of the CPF Group's business. The CPF Group aims to be a global producer of food products by providing safe and high quality products for its customers. The CPF Group intends to enhance the efficiency of its production system while maintaining cost competitiveness. The CPF Group believes in long-term success and continuous investment in production innovation to capture future growth. The CPF Group's plans for maintaining and improving upon its standards of operational capabilities includes investing in research and development, improving farms' efficiency to achieve higher yields, reducing waste, improving disease-resistant varieties of livestock and aquaculture and enhancing product taste to suit local tastes. As a result, the CPF Group has consistently succeeded in introducing new and innovative products to the market over the years. For example, the CPF Group introduced Tubtim fish in 1998 and Kurobuta pork in 2010 to the Thai market, which led to subsequent changes in consumer preferences and interest in related products.

CPF also uses an applied research strategy designed to allow rapid and early implementation of technologies in production, nutrition and processing. This effort is driven by its Thailand-based technical team, some of whom have advanced degrees in nutrition, veterinary science, food science, health assurance and animal welfare. This team also uses an extensive network of outside scientists and other contacts to enable the CPF Group to access the latest technology both within Thailand and abroad.

Sustainability through Investment

The CPF Group places great importance in its personnel, who contribute greatly to achieving and maintaining certain competitive advantages against competitors. Extensive training and development programmes are provided for both existing and new employees to identify and promote future leaders and encourage professionalism with an aim to create an organisation that can continue to grow at a sustainable rate. The CPF Group's personnel are further provided with technological, linguistic and functional training to ensure that they have the appropriate skill sets for their particular positions.

The CPF Group operates its business closely with local communities with direct interaction throughout the value chain and beyond. The CPF Group emphasises the importance of dispersing economic value to communities through employment and the involvement of local business partners. Knowledge and technology have been passed on to business partners through projects which promote animal farming for independent farmers and farmer groups, creating jobs for small entrepreneurs through franchising arrangements, as well as establishing activities for the benefit of communities together with development bodies such as the Rural Life Development Foundation, state agencies and various independent organisations.

Business Description

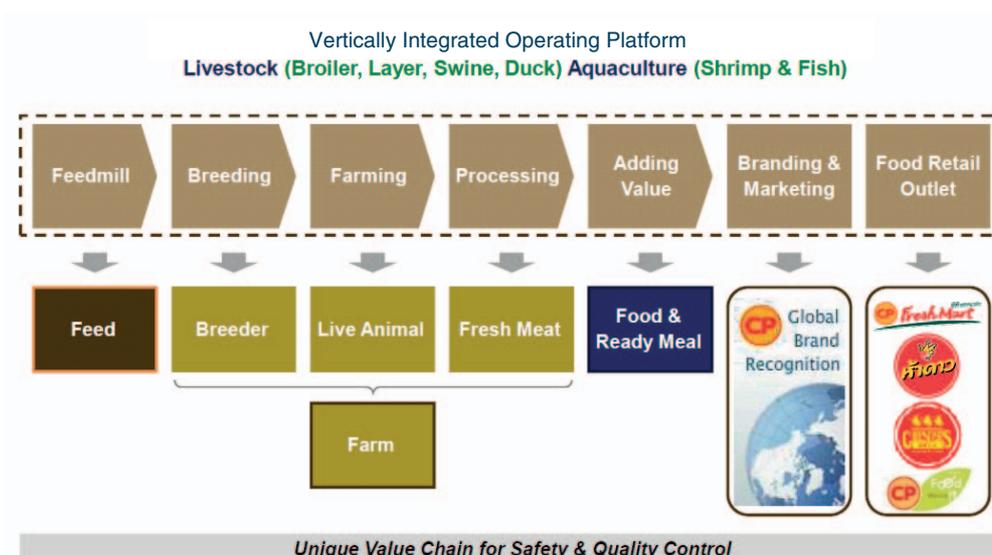
Thailand Operations

The CPF Group's Thailand operations, comprising domestic sales and exports, are located throughout Thailand and are vertically integrated. For the year ended 31 December 2012, the consolidated sales revenue of the CPF Group's Thailand operations was THB159,424 million (U.S.\$4,857 million), and the aggregate value of exports from Thailand was THB30,862 million (U.S.\$940 million), or 19 per cent. of consolidated sales revenue of Thailand operations. For the nine months ended 30 September 2013, the consolidated sales revenue of Thailand operations was THB120,287 million (U.S.\$3,665 million), and the aggregate value of Thailand exports was THB20,971 million (U.S.\$639 million), or of 17 per cent. of consolidated sales revenue of Thailand operations.

There are two main businesses of the CPF Group: livestock and aquaculture. The livestock business contributed 74 per cent. and 82 per cent. to consolidated sales revenue of Thailand operations for the year ended 31 December 2012 and the nine months ended 30 September 2013, respectively. The aquaculture business contributed 26 per cent. and 18 per cent. to consolidated sales revenue of the Thailand operations for the year ended 31 December 2012 and the nine months ended 30 September 2013, respectively.

The CPF Group's two main businesses, livestock and aquaculture, are each vertically integrated in Thailand.

The following diagram summarises CPF's vertically integrated operating platform in Thailand:



Feed

The CPF Group manufactures and distributes animal feed products for a range of animals including swine, chicken, duck, shrimp and fish. The gross revenue of the Thailand feed

business was THB56,815 million (U.S.\$1,730 million) for the year ended 31 December 2012 constituting 36 per cent. of consolidated gross revenue from Thailand operations for the relevant period and representing a growth of 7 per cent. over the same period in 2011. For the nine month period ended 30 September 2013, gross revenue of the Thailand feed business was THB38,686 million (U.S.\$1,179 million), constituting 32 per cent. of consolidated gross revenue from Thailand operations for the relevant period and representing a decrease of 9 per cent. from the same period in 2012. The decrease in gross revenue for this period was partly due to the EMS outbreak and a decrease in aquatic feed sales.

Products, Marketing and Customers

The CPF Group's feed formulae are specifically developed for each animal type and its stage of growth. CPF's livestock feed products are distributed under CP-owned brands such as CP, Hyprovite, Hi-Gro and Star Feed; Novo, Safe Feed and Erawan; Hogtonal, C.F. and Anvipro; and its aquaculture feed products are distributed under the Marine, Hi-Grade, Turbo and Hilac, Blanca, Stargate, Safe Fo and Safe Fish brands. The CPF Group's customer base is small independent farmers as well as larger industrial farming operations. The CPF Group sells its feed products both directly and via appointed agents or distributors across Thailand.

The CPF Group has a team of qualified staff which provide post-sales services and support to customers, providing customers with technical information on animal and aquaculture nutrition and advice on animal husbandry. These teams deliver their services through seminars and academic service centres, as well as distributing information via printed mailshots and electronic media, including the internet.

Raw Materials, Processing and Production

The CPF Group operates a central purchasing unit based in Bangkok, Thailand, which provides pricing and other information to CPF's operations in Thailand and other countries and helps certain operations in Thailand and abroad to negotiate prices and the supply of raw materials in markets in which the CPF Group operates. The main raw materials for feed production are materials such as corn, soybean meal, fishmeal and wheat flour. These materials are purchased in bulk from domestic producers, particularly those situated in close proximity to its feed-mill plants. This is to support local farmers, as well as to minimise transport costs. When domestic supply is insufficient, or is of inferior quality, the CPF Group will use imported materials.

The CPF Group's procurement policy ensures diverse sources of raw material procurement and ensures no over-reliance on any particular trader. Additionally, purchases must be conducted with strict adherence to standards regarding (a) the source and quality of raw materials, (b) the CPF Group's corporate social responsibility policy and environmental policy, and (c) at costs that are competitive in the industry. Feed prices are adjusted according to production costs, where changes are approved by the Department of Internal Trade of Thailand, thereby ensuring stable profit margins.

The CPF Group operates feed-mill plants in Thailand, which are located in close proximity to farming areas and integrated farms to minimise transportation costs. Construction sites are surveyed before construction of the feed-mill plants to minimise the risk from natural disasters such as flooding. The feed products manufactured by the CPF Group are produced in several different forms, such as concentrate, powder and pellets.

All feed production processes are computer controlled to ensure the uniformity of quality and compliance with international standards. The CPF Group's feed-mill plants in Thailand are also each equipped with a laboratory and testing facilities to check the quality of raw materials

before they are utilised in the manufacturing process. As a result, the CPF Group is able to produce feed with a low feed conversion ratio (the amount of feed required to produce a certain weight in meat, with low feed conversion ratios indicating a better feed product) to help farmers reduce farming costs.

Farm

The CPF Group's farming businesses engage in the breeding, farming and sale of livestock, shrimp and fish, and the production of meat, shrimp and fish products for sale to third party processors or for its own further processing. The CPF Group operates farms for swine, broilers, layers, ducks, shrimp and fish in a number of provinces in Thailand.

The gross revenue of the Thailand farming business was THB61,600 million (U.S.\$1,877 million) for the year ended 31 December 2012, constituting 39 per cent. of consolidated gross revenue from Thailand operations for the relevant period and representing a decrease of 4 per cent. from the same period in 2011. The decrease in gross revenue in 2012 was partly a result of oversupply in the livestock business. For the nine month period ended 30 September 2013, gross revenue of the Thailand farming business was THB51,020 million (U.S.\$1,554 million), constituting 42 per cent. of consolidated gross revenue from Thailand operations for the relevant period, and representing a growth of 12 per cent. over the same period in 2012.

Products, Marketing and Customers

The CPF Group's farm products from its farm operations range from live animals, for example, day-old chicks, to partially-cut meat products.

- Chicken operations include breeding and raising chickens such as the provision of day-old chicks, harvesting eggs from layers as well as processing live broiler chickens into fresh and frozen partially-cut chicken meat products.
- Pork operations include breeding and raising piglets and fattening hogs, and processing live market hogs to produce partially-cut pork.
- Shrimp and fish operations include breeding and farming shrimp and fish and processing shrimp into head-on shell-on shrimps, headless shell-on shrimps, peeled tail-on shrimps, peeled and deveined shrimps, and peeled and un-deveined shrimps, and fish into whole frozen fish, gutted and scaled fish, and boneless-skinless fillets.

Basic meat and shrimp/fish finished products are marketed both in Thailand and abroad. Within Thailand, basic meat, shrimp and fish finished products are marketed domestically to a wide range of customers including food retailers, food service distributors, restaurant operators, hotel chains and non-commercial food service establishments such as schools, healthcare facilities, the military and other food processors, as well as to international markets.

Raw Materials, Processing and Production

The CPF Group's farms have the capacity to produce pigs, broilers, layers, ducks, shrimp and fish.

The primary raw materials used in the CPF Group's livestock and aquaculture farming operations are feed and breeding stock. The CPF Group engages in the research and development of natural breeding techniques, with the aim of obtaining quality breeds that are healthy, sturdy and suitable for farming conditions in their respective countries. The CPF Group produces parent stock of animals as well as piglets, broiler chicks, layer chicks, table ducklings, egg-laying ducklings, shrimp fry and fish fry. Some animal breeds are imported from abroad to attempt to introduce more desirable characteristics in the CPF Group's breeds. The

CPF Group breeds and raises animals for its own use as well as for sales to independent livestock farmers and agents/distributors in Thailand. The CPF Group uses an animal farming management system to ensure its farm products are healthy and of a high quality. The research and development of animal breeds and the implementation of farm management technology for a standard farming system are of strategic importance. The CPF Group aims to improve standard farming systems in order to meet the market's requirements and local environmental conditions, and consequently to achieve higher quality and greater efficiency in production.

CPF has vertically-integrated broiler, shrimp and swine processes in Thailand, where all three begin with grandparent broodstocks and end with ready to process broiler, shrimp and fattening hogs, respectively. CPF has teams of nutritionists that develop breeding formulae for each animal at each stage of its life cycle. Chickens and hogs are raised in fully-equipped closed system housing units that operate according to the CPF Group's scientific operating procedures to achieve biosecurity. Adult chickens and hogs are transported to processing plants where they are slaughtered and made into finished products. Shrimp are harvested and transported to processing plants where they are made into finished products.

The CPF Group owns and operates farms in Thailand. In addition to its company-owned farms, the CPF Group also promotes broiler and swine farming by providing animals, feed and technical knowledge to independent farmers who have passed the CPF Group's screening processes. In addition, the CPF Group has representative offices throughout Thailand that serve as academic service centres that provide technical knowledge about farming, farm management, marketing and sales to independent farmers.

The CPF Group has implemented strict procedures and standards for animal welfare during the farming period and throughout the transport phase and processing stage. The CPF Group does not use antibiotics to stimulate growth in its farming processes. The aquaculture business employs probiotic farming technologies, where the utilisation of chemicals is minimised and friendly bacteria are used to create immunities to disease and to promote health. The CPF Group has also implemented a closed re-circulating water system for shrimp farming in order to save water, reduce the incidence of disease, and operate in a more environmentally friendly way, as it lessens emissions of polluted water into surrounding water bodies. In addition, the CPF Group does not use hormones, which are prohibited by the United States Agricultural Standards Act and the Food and Drug Administration in the United States, or antibiotics to stimulate growth in its farming processes.

The CPF Group continually seeks to improve the genetics of its livestock and aquaculture stock. Female and male breeding stock are purchased from several of the world's leading suppliers, which employ extensive research efforts in molecular genetics, biosecurity, food safety and meat quality to help ensure a strong genetic lineage.

Alternate genotypes are routinely reviewed to validate and compare them to existing products. In addition, the CPF Group conducts research trials to develop existing genotypes further to meet economic and customer demands for composition and quality. These arrangements enhance the quality of genetics, diversify genetic sources and improve production ratios and yields. The CPF Group also incorporates careful monitoring of the breeding performance of all its broodstock to improve breeding patterns, remove sub-optimal parents from livestock and as a means of early detection of changes to the quality of animals.

The CPF Group also employs scientific operating procedures to achieve biosecurity, which is an industry term for the protection of agricultural animals from any type of infectious agent, including viral, bacterial, fungal or parasitic agents. The CPF Group seeks to reduce the risk of disease transmission through a number of methods, including geographic separation of, and restricted access to, production facilities, strict sanitation procedures, high health genetic stock and constant monitoring. A closed and evaporative cooling system with

computer-controlled feeding has been installed in CPF's livestock farms in Thailand. The ventilation and lighting of housing units are properly adjusted to provide appropriate conditions for each type of animal, and the closed system is bio-secure to prevent the possible entry of potential carriers of disease. All of these elements are computer-controlled throughout the farming process. Animal populations in each unit are also controlled to prevent overcrowding. There are also preventive and handling measures to minimise animal injury and diseases. On-site veterinarians conduct health checks on the animals both during the farming period and prior to transportation. When disease is found, treatment is implemented to lessen its impact on facility performance and to prevent its spread to other facilities. See "Risk Factors — Outbreaks of disease among animals may significantly decrease demand for the CPF Group's products and severely disrupt the supply and distribution networks for those products" for a discussion regarding the risks posed by animal diseases to the CPF Group's operations. Animal transportation is completed using specialised vehicles, which minimises the discomfort of the animals involved.

Foods

The CPF Group adds value to its basic processed meat with additional processing to produce cooked, partially-cooked and ready-to-eat food products. The products are then packed, chilled or frozen, and distributed. Gross revenues of the Thailand food business was THB41,009 million (U.S.\$1,250 million) for the year ended 31 December 2012, constituting 26 per cent. of consolidated gross revenue from Thailand operations for the relevant period and representing a growth of 12 per cent. over the same period in 2011. For the nine month period ended 30 September 2013, gross revenue of the Thailand food business was THB30,581 million (U.S.\$932 million), constituting 25 per cent. of consolidated gross revenue from Thailand operations for the relevant period and representing a growth of 6 per cent. over the same period in 2012.

Products, Marketing and Customers

The CPF Group increasingly focuses on emphasising value-added products such as whole shrimp wonton, frozen karaage chicken, Kakuni pork and sausages.

The CPF Group markets its processed products either under private brands or the CP, Kitchen Joy, Five Stars, Taste Inc, Bucher, BK and BKP brands. Its product lines include CP-Kurobuta Pork, Chick Mixes, CP Ready Meal and Thai Cube. The CPF Group's branding strategy seeks to capitalise on the quality of the CPF Group's products and its adherence to food safety standards. As part of its marketing strategy, the CPF Group innovates products to satisfy consumer preferences and capture new market opportunities.

The CPF Group's customers include retailers, retail distributors, wholesalers, food services and food dealers, in the form of supermarkets, convenient stores, hotels, restaurants and so on.

Raw Materials, Processing and Production

Many of the CPF Group's key raw material inputs for its food division are sourced from other divisions within the CPF Group. The CPF Group's processing plants in Thailand are located in Bangkok, Samutsakorn, Saraburi, Nakhon Nayok, Nakhon Ratchasima, Chacheongsao, Rayong, Suratthani, Songkla and Chiang Mai.

The CPF Group has the ability to produce fresh, frozen and refrigerated products for the domestic market and for worldwide shipment. Domestically, its distribution network extends to

a broad network of food distributors and is supported by its owned or leased cold storage warehouses, customer storage facilities, public cold storage facilities and transportation system. The CPF Group's access to this distribution system enables it to supply both large or small quantities of products to meet customer requirements anywhere in Thailand.

Restaurants and Retail Outlets

CPF is investing in expansion of its food outlets and retail shops in order to expand its distribution channels. CPF operates six types of food retail outlets as described below.

Five Star Business - "Five Star" operates as a franchise business. There are seven types of Five Star kiosk, namely the roasted-chicken kiosk, the fried-chicken kiosk and the Hainan chicken rice kiosk; the noodle soup with shrimp wonton kiosk, the ready-meal kiosk, the sausage kiosk and the steamed duck with soy sauce kiosk. As at 31 December 2012, there were 4,752 Five Star kiosks across the country.

Chester's Grill - Chester's Grill is a fast-food restaurant. As at 31 December 2012, Chester's Grill had 176 branches in Thailand, 68 of which were Company-operated, while 108 were franchisee-operated. In 2013, Chester's Grill was rebranded as "Chester's".

CP Kitchen - CP Kitchen is a fast-serve restaurant, operated under the concept of a 'fresh, full and fair price'. The first branch of CP Kitchen was opened in 2011, and as at 31 December 2012, there were seven branches of CP Kitchen in Thailand.

CP Fresh Mart - CP Fresh Mart is in the retail sector, selling fresh food, cooked food and ready-to-eat products under the "CP" and "CP Fresh Mart" brands. CPF is committed to making CP Fresh Mart a centre of fresh, clean, safe and quality foods. CP Fresh Mart has two key operations, namely its retail store and its community refrigerator. As at 31 December 2012, CP Fresh Mart operated 623 retail stores: 270 in Bangkok and its vicinity and 353 in provincial areas of Thailand, as well as 9,100 community refrigerators.

CP Fresh Mart Plus - CP Fresh Mart Plus is a new format retail business known as a 'super convenience store'. CP Fresh Mart Plus provides a retail space for selling food and consumer products, and is equipped with dine-in areas, which emphasise a new convenient lifestyle for consumers. The first CP Fresh Mart Plus store was opened in 2011, and as at 31 December 2012, there were four CP Fresh Mart Plus stores in operation.

CP Food World - CPF opened the first "CP Food World", its food court business, in late 2012 at Siriraj Hospital. "CP Food World" provides consumers with diverse food shops, both CPF-owned and privately owned. CPF also plans to expand the business into business areas, office buildings and educational institutes. As at 31 December 2012, there was one branch of CP Food World in operation.

Competition

The food industry is highly competitive and given the breadth of the CPF Group's operations it competes with many different players in each of the segments it operates in. The principal competitive elements are price, product safety and quality, brand positioning, variety of product offerings, availability of products and customer service. The CPF Group seeks to achieve a leading market position for its products by focusing its marketing and competitive strategy on these competitive elements.

Management Towards Product Sustainability

The CPF Group's business strategy is underpinned by the awareness of its corporate social responsibility to customers and consumers in producing and selling food products that are safe for consumption. This awareness translates to the "Management towards Product Sustainability" programme, which has three major components.

Quality

The CPF Group's management team attaches great importance to product quality. The products must be safe, nutritious, hygienic and manufactured according to production processes that meet established standards, ranging from the raw materials for animal feed that are required to pass quality control and are traceable from the sources to in-process controls for each step of a production line. The CPF Group is committed to improving production processes to meet efficiency levels recommended by international standards. Various internationally recognised management systems have been implemented, such as ISO 9002, Good Manufacturing Practices, Good Agricultural Practice, British Retail Consortium and Assured Chicken Production. CPF is certified with the "Thailand Trust Mark", a certification which recognises CPF as a reliable manufacturer and exporter of quality products that conforms to internationally accepted production standards.

Consumer Health and Safety

The CPF Group's management is dedicated to the development of its products that are in line with consumers' increasingly stringent demands for reassurance regarding the safety of food products. Technology has been introduced throughout production so as to increase the efficiency of the evaluation and diagnosis of possible health risks that each food product carries. This analysis is conducted at every stage, ranging from raw materials selection to the production process, transportation and when the product is in the hands of the final consumer. Moreover, a control system is in place to eliminate or minimise the causes of food safety hazards.

Environment

The CPF Group's facilities for breeding, farming and processing livestock, aquaculture and prepared foods, are subject to a variety of provincial, national and international environmental laws and regulations, which include provisions relating to the discharge of materials into the environment and for the general protection of the environment. The CPF Group believes that it is in substantial compliance with such applicable laws and regulations and is not aware of any violations of such laws and regulations that are likely to result in material penalties or material increases in compliance costs.

In addition to product quality factors such as nutritional value, taste and food safety, the CPF Group is also focused on minimising the environmental impact of its production processes. In an effort to reduce its environmental impact, the CPF Group endeavours to reduce its energy and resource consumption and recycles where possible. The CPF Group's production process adheres to the environment management standard (ISO 14001). In addition, information about a product's carbon footprint is included on some product labelling to provide consumers with greenhouse gas emission details for such products. At the end of 2012, the CPF Group was able to add carbon footprint information to the labels of 93 products. At the end of August 2013, CPF was granted the "ProSustain Standard" certification, a standard which reflects the environmental, social and economic aspects of products, by Det Norske Veritas, an independent certification body based in Norway that certifies that products are sustainably and responsibly sourced.

International Operations

Countries	Controlled Year	Livestock	Aquaculture
China	2012	Feed	Feed
Vietnam	2012	Feed, Farm, Food	Feed, Farm, Food
UK	2002	Distributor & Chilled Plant	
Turkey	2004	Feed, Farm, Food	-
India	2005	Feed, Farm, Food	Feed, Farm
Malaysia	2005	Feed, Farm, Food	Feed, Farm, Food
Laos	2006	Feed, Farm, Food	-
Russia	2006	Feed, Farm	-
Philippines	2007	Feed, Farm	Feed, Farm
Taiwan	2009	Feed, Farm, Food	-
Cambodia	2011	Feed, Farm, Food	-



The CPF Group's international operations include investments in agro-industrial and food businesses in 11 countries including subsidiaries in China, Vietnam, Turkey, India, Malaysia, United Kingdom, Laos, Russia, the Philippines and Taiwan, and an investment in Cambodia.

For the year ended 31 December 2012, CPF's International operations contributed 55 per cent. of the CPF Group's total consolidated sales. Operations in China¹ contributed 50 per cent. and 49 per cent. to the total consolidated international sales in the in the year ended 31 December 2012 and in the nine month period ended 30 September 2013, respectively. This was followed by operations in Vietnam, which contributed 22 per cent. and 24 per cent. to the total consolidated international sales in the year ended 31 December 2012 and in the nine-month period ended 30 September 2013, respectively.

More detailed break-downs of the revenue, based on the location of customers and product category, are shown in the table below:

¹ Limited to the CPF and its subsidiaries' operations in China.

Consolidated sales from international operations by country

	For the year ended 31 December			For the nine months ended 30 September		
	2011	2012	2012	2012	2013	2013
	(THB million)		(U.S.\$ million)	(THB million)		(U.S.\$ million)
China¹	—	99,411	3,029	73,075	81,485	2,483
Feed	—	99,411	3,029	73,075	81,485	2,483
Farm	—	—	—	—	—	—
Food	—	—	—	—	—	—
Vietnam	—	43,616	1,329	31,235	39,544	1,204
Feed	—	22,621	689	16,548	19,349	589
Farm	—	20,371	621	14,282	19,444	592
Food	—	624	19	405	751	23
Others	51,950	54,724	1,667	41,509	44,570	1,358
Feed	25,994	26,289	801	19,724	20,985	639
Farm	23,371	25,308	771	19,439	20,762	633
Food	2,585	3,127	95	2,346	2,823	86
Total consolidated International Sales	<u>51,950</u>	<u>197,751</u>	<u>6,025</u>	<u>145,819</u>	<u>165,599</u>	<u>5,045</u>
Total consolidated sales	<u>206,099</u>	<u>357,175</u>	<u>10,882</u>	<u>262,955</u>	<u>285,886</u>	<u>8,710</u>

¹ Limited to CPP and its subsidiaries' operations in China.

CPF's key international operations outside Thailand are as follows:

China

CPF's business in China is mainly operated by CPP, which is listed on the Hong Kong Stock Exchange. CPP's business is the manufacture and distribution of livestock and aquatic feed for the domestic market in China.

Vietnam

The CPF Group's business in Vietnam is operated by C.P. Vietnam Corporation ("CPV"), which operates fully-integrated livestock and aquaculture businesses. The livestock business mainly involves the manufacture and distribution of swine and chicken feed. CPV also operates a farming business, which includes basic meat processing and further food processing for domestic distribution within Vietnam. The main animals involved in the farming business are swine, broilers and layers. The aquaculture business involves the manufacturing and distribution of mainly shrimp and fish feeds. CPV also operates farming and processing businesses for fish and shrimp, with products sold to the domestic Vietnamese market and export markets such as Japan, South Korea, Australia and European Union.

Taiwan

The CPF Group's operations in Taiwan are run by its Taiwanese subsidiary Charoen Pokphand Enterprise (Taiwan) Co., Ltd ("CPE"). CPE is listed on the Stock Exchange of Taiwan. CPE runs a fully integrated livestock business, where it manufactures and distributes livestock feed, with swine feed and chicken feed as its main products. CPE also operates an animal farm, and is engaged in basic meat processing and food processing for domestic distribution within Taiwan. The farming business deals mainly in broilers and swine.

Turkey

The CPF Group operates a fully-integrated chicken business in Turkey through C.P. Standart Gıda Sanayi ve Ticaret A.S ("CPS"). This company manufactures and distributes chicken and cattle feed and operates a broiler and layer farming and processing business, with products sold to the domestic Turkish market and exported to the Middle East.

Philippines

The CPF Group's business in the Philippines is operated by Charoen Pokphand Foods Philippines Corporation, which operates both livestock and aquaculture businesses. The livestock business mainly involves the manufacturing and distribution of chicken and swine feeds, as well as swine and broiler chicken farming businesses, the products of which are intended for domestic distribution. The aquaculture business comprises the manufacturing and distribution of feed, shrimp and fish farming.

Malaysia

The livestock business in Malaysia focuses on swine farming, food processing and food retail for the domestic market.

The aquaculture business includes the manufacture and distribution of shrimp and fish feeds, shrimp farming and processing of shrimp products for the domestic Malaysian market as well as export markets in Japan, the United States, Australia, Taiwan and Singapore.

Russia

The livestock business is operated by Charoen Pokphand Foods (Overseas), LLC., which manufactures and distributes mainly chicken and swine feed. It is also engaged in the production of swine. Another subsidiary, CPF Agro LLC is also engaged in swine farming. The products are mainly intended for domestic distribution.

Laos

A fully-integrated livestock business is operated by C.P. Laos Co., Ltd. ("CPL"), operating in the manufacturing and distribution of chicken and swine feeds. CPL also operates an animal farm, and is engaged in basic meat processing and further food processing, with products intended for domestic distribution. The main animals in this business are swine, broilers and layers.

India

The CPF Group's business in India is operated by Charoen Pokphand (India) Private Limited, which manufactures and distributes chicken, shrimp and fish feed and farming of broilers, layers and shrimp, for distribution in the domestic market. The CPF Group has also launched the 'Five Stars' fast-food kiosk business in India, operated under a franchise system.

United Kingdom

CP Foods (UK) Limited ("CPF UK") operates a trading business, which mainly involves the production of chilled food and importation of meat products and frozen food which are to be distributed throughout the UK and the European Union.

Associates and Jointly-Controlled Entities

The CPF Group also has investments in associates and jointly-controlled entities in Thailand, Malaysia, India, Cambodia and China. Investments in associates and jointly-controlled entities include:

Associates

- CP ALL Plc. — a company that operates the '7-Eleven' franchise in Thailand. See "Description of CP ALL".
- Arbor Acres Thailand Company Limited — a company involved in chicken breeding and distribution in Thailand;
- Ross Breeders Siam Company Limited — a company involved in chicken breeding and distribution in Thailand;
- Nava 84 Company Limited — an investment holding company with an economic investment in crop plantation companies in Thailand;
- Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. — an investment holding company with an investment in livestock feedmills and livestock farming companies in Malaysia;
- C.P. Aquaculture (India) Private Limited — a company involved in the operation of an aquatic feedmill and shrimp hatchery in India;
- C.P. Cambodia Company Limited — a company involved in the operation of an animal feedmill and livestock farming in Cambodia;
- Conti Chia Tai International Limited — a company involved in the production and sale of animal feed in China;
- Zhan Jiang Deni Carburetor Company Limited — a motorcycle carburetor and auto parts production and distribution company in China;

Jointly-controlled entities

- Beijing Chia Tai Feedmill Company Limited — a company involved in the manufacturing and distribution of animal feed in China;
- Handan Chia Feed Company Limited — a company involved in the manufacturing and distribution of animal feed in China;
- Jilin Chia Tai Enterprise Company Limited — a company involved in the manufacturing and distribution of animal feed in China;
- Henan East Chia Tai Company Limited — a company involved in the manufacturing and distribution of animal feed in China;
- Luoyang Northern Ek Chor Motorcycle Company Limited — a company involved in motorcycles and spare parts production and distribution in China;
- ECI Metro Investment Company Limited — a company involved in investment and trade of machinery and spare parts; and
- CP-Meiji Company Limited — A company involved in manufacturing and distribution of dairy products in Thailand.

Share of profits of associated companies and jointly-controlled entities comprised 22 per cent. of total net profit attributable to equity holders of CPF in 2012, and 73 per cent. for the nine months ended 30 September 2013.

Intellectual Property

The CPF Group holds several trademark and other intellectual property rights including trade secrets regarding technology know-how and formulae in connection with its products and processing thereof. In addition to trademark registrations, the CPF Group attempts to protect its other proprietary information under trade secret laws, employee and third-party non-disclosure agreements and other laws and methods of protection. The CPF Group has also entered into agreements with CPG for the right to use the  and the  and other trademarks, as further described in “Related Party Transactions” below.

Legal Proceedings

As at 31 December 2013, the CPF Group did not have any current or pending litigation that would have material adverse impact on its business.

Employees

As at 31 December 2012, the CPF Group had a total of 97,942 employees and CPF had a total of 19,027 employees, of which 657 employees were devoted to central unit and support functions. For the year ended 31 December 2012, total monetary remuneration to employees amounted to THB34,873 million (U.S.\$1,062 million).

RELATED PARTY TRANSACTIONS

In relation to related party transactions that occur during the normal course of business, CPF applies the same approval procedure for related parties as it would for any third party, and seeks to ensure that transactions are conducted on an 'arm's length' basis and serve CPF's commercial interests. In the case of related transactions that are not in the ordinary course of business, the Audit Committee is required to review whether they have been conducted on an 'arm's length' basis. In this regard, the Audit Committee may seek an opinion from an independent appraiser, prior to making its recommendation to the Board for further consideration and approval. To enter into related party transactions, CPF must comply with relevant laws and regulations including, but not limited to, notification to the Capital Market Supervisory Board.

For the nine months ended 30 September 2013, CPF entered into transactions with related persons, most of which were in the normal course of business, or supporting transactions related to the normal course of business and conducted on an 'arm's length' basis.

Related transactions can be summarised as follows:

Accounts Receivable

As at 30 September 2013, the CPF Group had accounts receivable, arising from transactions with associated and related companies, amounting to THB5,320 million (U.S.\$162 million), or 24 per cent. of total consolidated accounts receivable. (As at 31 December 2012: THB5,291 million (U.S.\$161 million)).

Accounts Payable

As at 30 September 2013, the CPF Group had accounts payable, arising from transactions with associated and related companies, which totalled THB2,210 million (U.S.\$67 million), or 10 per cent. of total consolidated accounts payable. (As at 31 December 2012: THB2,065 million (U.S.\$63 million))

Sales

In 2013, the CPF Group sold products to associated and related companies that were based on the ordinary course of business price list. For the nine months ended 30 September 2013, the value of these transactions was THB20,051 million (U.S.\$611 million), or 7 per cent. of total consolidated sales. (For the nine months ended 30 September 2012: THB18,151 million (U.S.\$553 million))

Purchase of Raw Materials

In 2013, the CPF Group purchased raw materials from associated and related companies that were also based on the ordinary course of business price list. For the nine months ended 30 September 2013, the value of these transactions was THB24,937 million (U.S.\$760 million), or 10 per cent. of the total consolidated cost of goods sold. (For the nine months ended 30 September 2012: THB26,168 million (U.S.\$797 million))

Other Income

For the nine months ended 30 September 2013, the CPF Group received other income from dividends, interest, capital gains made on the sale of investments and fixed assets, as well as

training and seminar fees, system service fees, rental and service fees and others from associated and related companies, that amounted to THB1,451 million (U.S.\$44 million). (For the nine months ended 30 September 2012: THB368 million (U.S.\$11 million))

Rental and Services Fees

The CPF Group has lease agreements covering office premises, including facilities, land, livestock farms and vehicles with certain related companies, for periods of one to nine years, which will expire in the period between 2013 and 2021. The rental and services fees paid by the CPF Group for the nine months ended 30 September 2013, amounted to THB1,954 million (U.S.\$60 million). (For the nine months ended 30 September 2012: THB1,753 million (U.S.\$53 million))

The CPF Group rented assets from associated and related companies according to the rates set by their owners. For the nine months ended 30 September 2013, the value of these transactions was THB895 million (U.S.\$27 million). (For the nine months ended 30 September 2012: THB899 million (U.S.\$27 million))

Technical Service Fees

The CPF Group has technical service agreements with its major shareholder, Charoen Pokphand Group Company Limited (“CPG”). Under the terms of these agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feed for CPF and its subsidiaries. In this regard, CPF and subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity and is dependent upon the types of feed, as stipulated in the agreements, to CPG. The minimum service fee ranges from THB0.1 million (less than U.S.\$0.01 million) to THB1.3 million (U.S.\$0.04 million) per month.

In addition, certain foreign subsidiaries have agreements to obtain 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 that are stipulated in the agreements.

For the nine months ended 30 September 2013, CPF paid CPG for technical services concerning animal feed production that amounted to THB912 million (U.S.\$28 million). (For the nine months ended 30 September 2012: THB732 million (U.S.\$22 million))

Insurance Premium

The CPF Group pays the insurance premiums to Allianz C.P. Insurance Public Company Limited (“AZCP”) which is a CPF related company. The insurance premium rates were paid according to the independent commercial standards set by the insurers.

For the nine months ended 30 September 2013, CPF paid insurance premiums to AZCP which amounted to THB236 million (U.S.\$7 million). (For the nine months ended 30 September 2012: THB188 million (U.S.\$6 million))

Other Expenses

For the nine months ended 30 September 2013, the CPF Group paid software application service fees, sales promotion fees, transportation fees and other fees, to related companies which amounted to THB618 million (U.S.\$19 million). (For the nine months ended 30 September 2012: THB832 million (U.S.\$25 million))

Others

The CPF Group has hire-of-work agreements to construct buildings, structures and other agreements, including equipment and other purchase with certain related companies. For the nine months ended 30 September 2013, the payments in respect of these agreements amounted to a total of THB1,224 million (U.S.\$37 million). (For the nine months ended 30 September 2012: THB1,230 million (U.S.\$37 million))

A subsidiary of CPF entered into an agreement with a related company, Star Marketing Company Limited (“STAR”), for the right to use all current trademarks of STAR. In this regard, the subsidiary is committed to pay the trademark licence fee to STAR, which is calculated according to the value of sales under the trademark, at the rates that were stipulated in the agreement. The fees paid by the subsidiary for the nine months ended 30 September 2013 amounted to THB24 million (U.S.\$0.7 million). (For the nine months ended 30 September 2012: THB23 million (U.S.\$0.7 million))

Furthermore, the CPF Group has entered into agreements with CPG for the right to use the  trademark. In this regard, CPF has to pay the trademark licence fee to CPG at rates of between 0.2 per cent. and 0.4 per cent. of the sale value of each product, as stipulated in the agreements. The fees for the nine months ended 30 September 2013 came to a total of THB54 million (U.S.\$1.6 million). (For the nine months ended 30 September 2012: THB52 million (U.S.\$1.6 million))

In addition, a subsidiary has entered into agreements with CPG for the right to use the  trademark. In this regard, CPF has to pay the trademark licence fee to CPG at rates of between 0.2 per cent. and 0.4 per cent. of the sale value of each product, as stipulated in the agreements. As at 30 September 2013, the fees came to a total of THB2 million (U.S.\$0.06 million). (As at the nine months ended 30 September 2012: THB2 million (U.S.\$0.06 million))

On 28 December 2012, CPF announced that CP China Investment Limited (“CPCI”), a direct wholly owned subsidiary of CPP (a subsidiary of CPF in which CPF directly and indirectly held 76.13 per cent. of its total issued shares), would acquire the entire investment in Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd. (“CT Qinhuangdao”) from Chia Tai Food Investment Co., Ltd. (“CTFI”), an indirect wholly owned subsidiary of CPG (a major shareholder of CPF), for a total consideration of U.S.\$15,702,000 or 1.21 per cent. of CPF and its subsidiaries net tangible assets as at 30 September 2012. Payment of such consideration was made on 23 January 2013.

On 16 January 2013, CPF announced that it and CPF Investment Limited (“CPFI”), a wholly owned subsidiary of CPF, would waive their rights to subscribe for an aggregate of 10,057,142 newly issued shares of Kinghill Limited (“Kinghill”) at the offering price of U.S.\$1 per share totalling U.S.\$10,057,142 or 0.76 per cent. of CPF and its subsidiaries net tangible assets as at 30 September 2012. As a result of CPF’s and CPFI’s waiver of their rights to subscribe for the newly issued shares, Kinghill was able to allocate such amount of shares to Worth Access Trading Limited (“WAT”), an indirect wholly owned subsidiary of CPG (a major shareholder of CPF) or other minority shareholders.

On 25 July 2013, CPF announced that CPM, its 99.99 per cent. owned subsidiary, would acquire 299,997 ordinary shares of CP-Meiji Co., Ltd. (“CP-Meiji”) (or 59.99 per cent. of CP-Meiji’s total issued shares) from CPG, a major shareholder of CPF, at the price of THB4,000 per share, for a total consideration of approximately THB1,200,000,000 or 2.6 per cent. of CPF and its subsidiaries net tangible assets as at 31 March 2013. Payment of such consideration was made on 31 July 2013.

CPF, through CT Qingdao, an indirect wholly owned subsidiary of CPP, entered into an agreement to acquire land use rights in two parcels of land located in Qingdao city, Shandong

province in China, from Qingdao Chia Tai Co., Ltd. (“QCT”), an indirect wholly-owned subsidiary of CPF. CT Qingdao acquired land use rights in September 2013 in: (i) the first parcel of land, which consists of 17.37 acres, for a term of 33 years, and (ii) the second parcel of land, which consists of 30.04 acres, for a term of 49 years. The consideration for this transaction is RMB9,113,229 (excluding relevant tax fee) or 0.1 per cent. of CPF and its subsidiaries net tangible assets as at 30 June 2013.

Management and Corporate Governance

CPF’s management structure consists of the Board of Directors and five committees of the board, namely the audit committee, the corporate governance committee, the executive committee, the remuneration and nominating committee and the corporate social responsibility and sustainable development committee. The chart below illustrates CPF’s management structure as at 1 March 2013.



As at 1 March 2013, the upper management of CPF is as follows:

Name	Position
1 Mr. Adirek Sripratak	President and CEO and Acting COO — Food Business
2 Mr. Virachai Ratanabanchuen	COO — Livestock Business
3 Mr. Pong Visedpaitoon	COO — Aquaculture Business
4 Mr. Teerasak Urunanon	COO — Domestic Trading
5 Mr. Pisit Ohmpornnuwat	COO — Overseas Trading
6 Mr. Paisan Chirakitcharern	CFO

CPF's Board of Directors

The Board of Directors has ultimate responsibility for the administration of the affairs of CPF.

The Board of Directors consists of 15 members, out of those members, five are independent directors (equal to 1/3 of the total number of directors), five are executive directors and five are non-executive directors.

Every independent director is qualified as an independent director under the laws and regulations of Thailand, namely the Notification 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). This means that each independent director does not hold more than 1 per cent. of the voting shares of CPF, its subsidiaries, or any entity having a conflict of interest with CPF; does not have any involvement with CPF in terms of employment, management and/or as a provider of professional services (other than as a director); does not have any business relationship with CPF, does not represent any specific shareholder group and does not operate any business which is of the same nature as CPF.

CPF's Articles of Association provide for a Board of Directors of at least five directors and at least half of the directors must be resident in Thailand. Every board member of CPF currently has residence status in Thailand.

In addition, CPF's Articles of Association provides that at every annual general shareholder's meeting, at least one-third of the directors shall retire from office. However, if the number of directors retiring is not one third of the total number of directors, then the number nearest to that figure will be required to retire from office and directors who have served the longest shall retire first. Directors who retire by rotation maybe re-appointed, if so approved by the shareholders.

If there is a vacancy for a director and/or independent director, for reasons other than retirement by rotation, and where the remaining term is in excess of two months, the Board of Directors is required to elect a replacement director. Any resolution for the election of a director to a vacant position must be passed by at least three-quarters of the remaining number of directors. The newly-appointed director shall assume the position for the period that would have been served by the director they are replacing.

As at 30 September 2013, the directors of CPF are as follows:

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

Ms. Patchara Chartbunchachai is CPF's Company Secretary.

Notes:

- (1) Authorised directors whereby any two of the authorised directors shall sign on behalf of CPF with CPF's seal affixed.
- (2) Independent director.

Certain information with respect to the directors is set out below:

Mr. Dhanin Chearavanont has served as Chairman of CPF and also served as a director of CPF since 1994, the conversion of the private company to public company limited. He is also the Chairman of C.P. Pokphand Co., Ltd. and a director of Chia Tai (China) Investment Co., Ltd, two subsidiaries of CPF. Mr. Dhanin Chearavanont is also the chairman of Charoen Pokphand Group Co., Ltd, CP ALL Plc. and True Corporation Plc, an honorary chairman of True Move Co., Ltd., a director of Bangkok Inter Teletech Plc., C.P. Land Plc. and C.P. Intertrade Co., Ltd.

Mr. Prasert Poongkumarn has served as a Vice Chairman of CPF and also served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he has served as a director of CPF's subsidiaries, Charoen Pokphand Enterprise (Taiwan) Co., Ltd., Charoen Pokphand (India) Pte Ltd., C.P. Vietnam Corp. and CPF Food Trading Co., Ltd. Mr. Prasert Poongkumarn is also a vice chairman of Charoen Pokphand Group Co., Ltd., chairman of CPPC Plc., and a director of C.P. Land Plc. and C.P. Intertrade Co., Ltd.

- Mr. Min Tieworn** has served as a Vice Chairman of CPF and also served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he has served as a director of CPF Investment Ltd, a subsidiary of CPF. Mr. Min Tieworn is also a vice chairman of Charoen Pokphand Group Co., Ltd. and a director of C.P. Land Plc. and C.P. Intertrade Co., Ltd.
- Mr. Chingchai Lohawatanakul** has served as a Vice Chairman of CPF and also served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he is also a director of CPF Investment Ltd., C.P. Aquaculture (Beihei) Co., Ltd., C.P. Aquaculture (Dongfang) Co., Ltd. and C.P. Aquaculture (Hainan) Co., Ltd, all subsidiaries of CPF. In addition, Mr. Chingchai Lohawatanakul is also a vice chairman of Charoen Pokphand Group Co., Ltd.
- Mr. Arsa Sarasin** has served as a Vice Chairman of CPF since 2013 and also served as a director of CPF since 1999. In addition, he has served as the chairman of Padaeng Industry Plc., Siam Makro Plc., Thai Asia Pacific Brewery Co., Ltd. and Maesod Palang-ngarn Sa-ad Co., Ltd., a director of Siam Cement Plc. and Thai Pure Drinks Co., Ltd., a vice chairman of Thai Tapioca Development Institute Foundation. Mr. Arsa Sarasin was His Majesty's Principal Private Secretary from 2000 to 2012.
- Mr. Adirek Sripratak** has served as a Vice Chairman of CPF since 2013 and also served as a director of CPF since 1998. In addition, he has served on the board of subsidiaries of CPF, including chairman of CPF (Thailand) Plc, vice chairman of C.P. Pokphand Co., Ltd., a director of each of C.P. Merchandising Co., Ltd., CPF Training Center Co., Ltd., CPF IT Center Co., Ltd., Bright Excel Investments Ltd., Charoen Pokphand (India) Pte Ltd., Charoen Pokphand (Taiwan) Investment Ltd., Charoen Pokphand Foods Kenya Co., Ltd., Chia Tai (China) Investment Co., Ltd., Coinaton Investments Ltd., and CPF Investment Ltd., CPF Tanzania Ltd., C.P. Vietnam Corp., CPVN Ltd., C.P. Laos Co., Ltd., Forward Pass Ltd. and New Splendid Holdings Ltd. Mr. Adirek Sripratak is also the honorary chairman of the Thai Broiler Processing Exporters Association, a director of CP ALL Plc. and Siam Makro Plc., an honorary director of Chiang Mai University Council and an advisor to Executives of Chiang Mai University.
- Professor Dr. Athasit Vejjajiva** has served as a director of CPF since 1999. In addition, he is the Chief Advisor of the President of the Royal Institute, a fellow of the Royal Institute of the Academy of Science and holds an honorary doctorate from Mahidol University.

**Emeritus Professor Supapun
Ruttanaporn**

has served as a director of CPF since 2009. In addition, she has served as an honourable auditor of Som Dej Pra Thep Ratna Raj Suda Foundation, a Treasurer of Wat Yannasangwararam Foundation, a director of the Audit Committee of Delta Electronics (Thailand) Plc., Glow Energy Plc. She was a member of Etiquette Committee and a member of Investigation, Sub-committee of the Federation of Accounting Professionals from 2010 to 2012.

Dr. Chaiyawat Wibulswasdi

has served as a director of CPF since 2010. In addition, he has served as a director of Siam Makro Plc. He was the chairman of the Board of Executive Directors of Krung Thai Bank Plc. from 2004 to 2010 and a vice chairman of Securities and Exchange Commission from 2007 to 2008.

**Professor Dr. Pongsak
Angkasith**

has served as a director of CPF since August 2013. In addition, he holds an honorary doctorate from Chiang Mai University and has served as an advisor to Boon Rawd Brewery Co., Ltd.. Professor Dr. Pongsak is also the executive director of the Royal Project Foundation and president of the Agricultural Extension Association of Thailand.

Mr. Phongthep Chiaravanont

has served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he has served as a vice chairman of Charoen Pokphand Group Co., Ltd., a chairman and chief executive officer of Perfect Companion Group Co., Ltd.

Dr. Veeravat Kanchanadul

has served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he has served as a director of CPF's subsidiary, CPF Investment Ltd. Dr. Veeravat Kanchanadul is an advisor to the President of Association of Thai Listed Companies, a senior director of National Institute of Development Administration, Thailand and a senior director of Thammasat University Council, a director for Program for Joint Doctorate in Business Administration (JDBA) and a director of C.P. Land Plc.

Mr. Pong Visedpaitoon

has served as a director of CPF since 1994, the conversion of the private company to public company limited. In addition, he has served as a director of a number of CPF's subsidiaries, namely, Asia Aquaculture (M) Sdn. Bhd., Charoen Pokphand Foods (Malaysia) Sdn. Bhd., Charoen Pokphand Foods Philippines Corporation and Star Feedmills (M) Sdn. Bhd.

Mr. Sunthorn Arunanondchai has served as a director of CPF since 2000. In addition, he has served as a director of CPF's subsidiary, C.P. Enterprises Ltd. Mr. Sunthorn Arunanondchai is also a director and president of C.P. Land Plc., a director and chairman of Ek-Chai Distribution System Co., Ltd., a director and chairman of the Audit Committee of Bangkok Life Insurance Plc., a director of Bangkok Inter Teletech Plc. and a director of True Move Co., Ltd.

Mrs. Arunee Watcharananan has served as a director of CPF since 2000. In addition, she has served as a director of a number of CPF's subsidiaries, namely, CPF (Thailand) Plc., C.P. Merchandising Co., Ltd. and CPF Investment Ltd. She is also an executive director of CPF's subsidiary, C.P. Pokphand Co., Ltd. Mrs. Arunee Watcharananan is a deputy CFO of Charoen Pokphand Group Co., Ltd.

Audit Committee

CPF's Audit Committee and its chairman were appointed by the Board of Directors. The current Audit Committee term is for a period of three years which expires on 23 December 2014. As at 30 September 2013, the members of the Audit Committee are Mr. Arsa Sarasin (chairman), Professor Dr. Athasit Vejjajiva, Emeritus Professor Supapun Ruttanaporn, Dr. Chaiyawat Wibulswasdi, Professor Dr. Pongsak Angkasith. Mr. Chalermchon Koonthonwan is the Secretary of the Audit Committee.

The roles and responsibilities of the Audit Committee comply with the Notification of the Stock Exchange of Thailand Re: Qualification and Scopes of Duties of the Audit Committee 2008 dated 9 June 2008, as follows:

- (1) To review CPF's financial reporting process to ensure that it is accurate and adequate.
- (2) To review CPF's internal control system and internal audit system to ensure that they are suitable and efficient.
- (3) To review CPF's compliance with the law on securities and exchange, regulations of the Stock Exchange and the laws relating to CPF'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 Head.
- (5) To consider, select and nominate an independent person to serve as CPF's external auditor, as well as to propose that person's remuneration and to attend the meeting with the external auditor without management in attendance at least once a year.
- (6) To review related parties' transactions and any transactions that may involve a potential conflict of interest, to ensure that they are in compliance with the law and the regulations of the Stock Exchange, as well as being reasonable and of maximum benefit to CPF.
- (7) To prepare the report of the Audit Committee which is signed by the Chairman of the Audit Committee and published in CPF's Annual Report.
- (8) To perform any other assignment which is required by CPF's Board of Directors and approved by the Audit Committee.

In the performance of its duties according to the roles and responsibilities above, the Audit Committee must be directly responsible to CPF's Board of Directors, with the Board of Directors being responsible to third parties for the actions of CPF.

Remuneration and Nominating Committee

CPF's Remuneration and Nominating Committee was appointed by the Board of Directors. The current Remuneration and Nominating Committee term is for a period of three years, which expires on 31 March 2015. As at 30 September 2013, the member of the Remuneration and Nominating Committee are Mr. Arsa Sarasin (chairman) and Mr. Prasert Poongkumarn.

The roles and responsibilities of the Remuneration and Nominating Committee are as follows:

- (1) Should a directorship vacancy arise, the Committee is to propose individuals who are suitably qualified to fill such a vacancy to the Board of Directors for consideration.
- (2) Review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes, if any.
- (3) Assess the performance of the Board of Directors annually and report this to the Board of Directors.
- (4) Establish and subsequently review a suitable remuneration policy, along with guidelines for compensation of the Board of Directors, according to their responsibilities and commensurate with the industry average remuneration level. The benefit that CPF can expect from each director is also a factor when considering his/her level of remuneration. The level deemed suitable should be in accordance with the policy established by the Board of Directors, and take into consideration his/her performance in relation to CPF's operating performance. Any proposed change in the remuneration, from that which has been approved by the shareholders must be put to the Board of Directors for its consideration and the subsequent approval of shareholders.
- (5) Others matters relating to its duties, as required by the Board of Directors.

Corporate Governance Committee

CPF's Corporate Governance Committee was appointed by the Board of Directors on 16 January 2013. The Corporate Governance Committee term is for a period of three years effective from 16 January 2013. As at 30 September 2013, the member of the Corporate Governance Committee are Mr. Arsa Sarasin (chairman), Dr. Veeravat Kanchanadul (vice chairman) and Dr. Chaiyawat Wibulswasdi. The CPF Company Secretary serves as Ex Officio Secretary of the Corporate Governance Committee.

The roles and responsibilities of the Corporate Governance Committee are as follows:

- (1) Establish the scope and corporate governance policy, and propose this to the Board of Directors for their approval.
- (2) Propose the practicing guideline of corporate governance to the Board of Directors, as well as, give the suggestion to the Board of Directors in relation to corporate governance matter.
- (3) Review, together with director and management, the compliance with corporate governance policy.

- (4) Review the practicing guideline of corporate governance by comparing with international practice, and propose this to the Board of Directors for enhancing the effectiveness and efficiency continually.
- (5) Report the assessment regarding the compliance with corporate governance policy to the Board of Directors at least once a year.

Corporate Social Responsibility and Sustainable Development Committee

CPF's Corporate Social Responsibility and Sustainable Development Committee was appointed by the Board of Directors on 9 November 2012. The Corporate Social Responsibility and Sustainable Development Committee term is for a period of three years effective from 16 November 2012. As at 30 September 2013, the members of Social Responsibility and Sustainable Development Committee are Dr. Chaiyawat Wibulswadi (chairman), Mr. Adirek Sripratak and Mrs. Arunee Watcharananan. Mr. Wuthichai Sithipreedanant is the Secretary of the Corporate Social Responsibility and Sustainable Development Committee.

The roles and responsibilities of the Corporate Social Responsibility and Sustainable Development Committee are as follows:

- (1) Establish the policy and direction of social responsibility and sustainable development, and propose this to the Board of Directors for their approval.
- (2) Provide support on the activities in social responsibility and sustainable development by participating in the meeting to give the guideline for conducting and monitoring the works in accordance with the specified timeframe.
- (3) Consider and assess the result of performance regarding social responsibility and sustainable development, as well as, give the suggestion for the development and report to the Board of Directors at least once a year.
- (4) Approve the report on social responsibility and sustainable development for public disclosure.
- (5) Appoint the social responsibility and sustainable development sub-committee as appropriate.

Executive Committee

The Board of Directors appoints the Executive Committee by considering individuals with the qualifications, knowledge, competency and experience related to CPF's business. This is to assist the Board of Directors with the efficient and effective management of its operations according to Company policy and the objectives as laid down by the Board of Directors. As at 30 September 2013, the members of CPF's Executive Committee are Mr. Chingchai Lohawatanakul (chairman), Mr. Adirek Sripratak, Mr. Pong Visedpaitoon, Mr. Phongthep Chiaravanont, Mrs. Arunee Watcharananan, Mr. Voravit Janthanakul, Mr. Teerasak Urunanon, Mr. Vitit Pootanasap, Ms. Patchara Chartbunchachai and Mr. Paisan Chirakitcharern. Mr. Paisan Chirakitcharern is the Secretary of the Executive Committee.

The primary responsibilities of the Executive Committee are as follows:

- (1) To scrutinise the goals, business strategies, budgets and investment projects of each business before being submitted to the Board of Directors for approval, and to subsequently adjust approved budgets and investment projects so that they take account of changing situations, if there are any.

- (2) To follow up on operating performance and the progress of investment projects in each business, as well as to report any problems and obstacles encountered and propose possible solutions to the Board of Directors.
- (3) To follow up on, and monitor the management and risk management of each business.
- (4) To follow up on, and monitor human resource development, the promotion and rotation of management in each business as per CPF's succession plans, and the determination of manpower needs, as well as plan the criteria for the remuneration and performance assessment of top management personnel.
- (5) To evaluate alternative sources of funding necessary for various investment projects, to be subsequently approved by the Board of Directors.
- (6) To follow up on, and monitor the use of funds, fund management and the financial status of each business.

Remuneration of Directors and Executives

The Board of Directors requires the Remuneration and Nominating Committee to determine directors' remuneration each year, and to propose this to the Board of Directors for approval by the shareholders. In addition, the Board of Directors requires the Executive Committee to determine the remuneration of CPF's Executives in accordance with their responsibilities and performance, in relation to CPF's operating performance, and compared to the industry average.

Remuneration of the Board of Directors

Monetary remuneration in 2012 of the Board of Directors amounted to a total of THB54.99 million, which included (1) monthly remuneration and (2) special remuneration in accordance with the resolution of the Annual General Shareholders' Meeting.

In addition, some directors also received remuneration as directors of subsidiaries, and this amounted to THB37.06 million. Remuneration of the Audit Committee for 2012 amounted to a total of THB15.00 million.

Remuneration for the Executives

Monetary Remuneration in the 2012 financial year for six executives of CPF amounted to a total of THB144.62 million.

Interests in Shares

As at 31 December 2012, the directors and executives have the following shareholdings in CPF.

	<u>Shareholding in CPF</u>	<u>Family Relationship</u>
Directors		
Mr. Dhanin Chearavanont.....	—	Cousin of Mr. Phongthep Chiaravanont
Pol. Gen. Pow Sarasin.....	2,140,000 shares, equivalent to 0.0276% (increased by 570,000 shares since 31 December 2011)	Older brother of Mr. Arsa Sarasin

	Shareholding in CPF	Family Relationship
Mr. Prasert Poongkumarn.....	1,335,983 shares, equivalent to 0.0173%	Brother-in-law of Mr. Phongthep Chiaravanont
Mr. Min Tiewanorn	—	—
Mr. Chingchai Lohawatanakul.	10,155,939 shares, equivalent to 0.1312% (increased by 2,456,572 shares since 31 December 2011)	—
Mr. Adirek Sripratak	3,834,710 shares, equivalent to 0.0495% (decreased by 1,461,280 shares since 31 December 2011)	Older brother of Mrs. Arunee Watcharananan
Mr. Arsa Sarasin	—	Younger brother of Pol. Gen. Pow Sarasin
Professor Dr. Athasit Vejjajiva	—	—
Emeritus Professor Supapun Ruttanaporn.....	20,000 shares, equivalent to 0.0003% (increased by 20,000 shares since 31 December 2011)	—
Dr. Chaiyawat Wibulswasdi	—	—
Mr. Phongthep Chiaravanont ..	700,000 shares, equivalent to 0.0090% (increased by 301,000 shares since 31 December 2011)	Cousin of Mr. Dhanin Chearavanont and brother-in-law of Mr. Prasert Poongkumarn
Dr. Veeravat Kanchanadul.....	13,960,070 shares, equivalent to 0.1803%	—
Mr. Pong Visedpaitoon	83,653 shares, equivalent to 0.0011% (decreased by 5,020,630 shares since 31 December 2011)	—
Mr. Sunthorn Arunanondchai ..	14,748,299 shares, equivalent to 0.1905%	—
Mrs. Arunee Watcharananan ..	8,103,250 shares, equivalent to 0.1047% (increased by 34,995 shares since 31 December 2011)	Younger sister of Mr. Adirek Sripratak
Other Executives		
Mr. Teerasak Urunanon	147,810 shares, equivalent to 0.0019% (increased by 33,405 shares since 31 December 2011)	—

	Shareholding in CPF	Family Relationship
Mr. Paisan Chirakitcharern.....	138,265 shares, equivalent to 0.0018% (increased by 46,959 shares since 31 December 2011)	—
Mr. Virachai Ratanabanchuen.	139,886 shares, equivalent to 0.0018% (decreased by 1,409,859 shares since 31 December 2011)	—
Mr. Pisit Ohmpornnuwat.....	85,493 shares, equivalent to 0.0011% (decreased by 145,224 shares since 31 December 2011)	—

Principal Shareholders
(as at 26 August 2013)

Name of Shareholders	Number of Shares	% Shareholding
1 CPG Group ⁽¹⁾	3,491,166,001	45.09%
2 Littledown Nominees Ltd. ⁽²⁾	491,741,500	6.35%
3 Thai NVDR Co., Ltd. ⁽³⁾	473,590,980	6.12%
4 UBS AG London Branch ⁽²⁾	180,231,226	2.33%
5 State Street Bank Europe Ltd. ⁽²⁾	160,684,106	2.08%
6 HSBC (Singapore) Nominees Pte Ltd. ⁽⁴⁾	127,034,391	1.64%
7 Social Security Office (2 cases) ⁽⁵⁾	109,887,900	1.42%
8 BNY Mellon Nominees Limited ⁽⁴⁾	107,843,035	1.39%
9 Nortrust Nominees Ltd ⁽⁶⁾	84,170,410	1.09%
10 Mr. Prin Tieworn	80,000,000	1.03%

Notes:

- (1) Includes shareholding of CPG of 25.00 per cent., Charoen Pokphand Holding Co., Ltd. 11.38 per cent., Orient Success International Ltd. 4.12 per cent., CPF (Thailand) PLC 2.69 per cent., Bangkok Produce Merchandising PLC 1.07 per cent., Plenty Type Ltd. 0.83 per cent. The Chearavanont family is the major shareholder of CPG with total shareholding of 91.68 per cent. (Top ten major shareholders of CPG and per cent. shareholding of such persons are as follows: Mr. Sumet Jiaravanon 12.96 per cent., Mr. Dhanin Chearavanont 12.96 per cent., Mr. Jaran Chiaravanont 12.76 per cent., Mr. Montri Jiaravanont 12.63 per cent., Mr. Kiat Chiaravanont 5.76 per cent., Mr. Phongthep Chiaravanont 3.65 per cent. and Mrs. Yupa Chiaravanond, Mr. Prathip Chiaravanond, Mrs. Phataneek Lekrisompong, Mr. Vajarachai Chiaravanond, Mr. Manu Chiaravanond and Mr. Manas Chiaravanond 3.62 per cent. each)
- (2) A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Zone B, Sathorn Nakorn Tower, 14th Floor, North Sathorn Road, Silom, Bangkok 10500, Thailand
- (3) A Thai company, contact information: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klong Toey, Bangkok 10110, 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 21 BLDG., 12th Floor, Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110

Note: Charoen Pokphand Group Co., Ltd. does not have any shareholdings in shareholders no. 2-9

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 per cent. of the total number of the CPF's issued shares.

Foreigners may acquire ordinary shares of CPF in excess of the restricted ratio prescribed in preceding paragraph by means of subscription of newly issued ordinary shares or 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 foreigners according to previous paragraph, shall not cause the total number of ordinary shares held by foreigners to exceed 49 per cent. of the total numbers of ordinary shares then issued by CPF. This 49 per cent. restriction on shareholding by foreigners shall apply to the case of transfer of ordinary shares from the foreigners 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 foreigners in every stage of transfer until such shares are transferred to the non-foreigners.

As at 26 August 2013, 31.44 per cent. of CPF's issued shares were held by foreign investors.

Type	% Holding
1 Thai Individuals.....	16.95%
2 Foreign Individuals.....	0.02%
3 Thai Juristic Persons.....	51.61%
4 Foreign Juristic Persons.....	31.42%
Total	100.00%

DESCRIPTION OF CP ALL

Each of the Issuer, the Sponsor and the Joint Bookrunners does not accept any responsibility for the accuracy, completeness or sufficiency of the information relating to CP ALL and the CP ALL Group. The information relating to CP ALL and the CP ALL Group has not been prepared in connection with the offering of the Bonds but has been derived from public sources and none of the Issuer, the Sponsor and the Joint Bookrunners has made any investigation or enquiry with respect to such public sources or such information. None of the Issuer, the Sponsor, or the Joint Bookrunners makes any representation that such publicly available sources of the information relating to CP ALL and the CP ALL Group are accurate or complete and each of the Issuer, the Sponsor, and the Joint Bookrunners disclaims any liability with respect to the accuracy, completeness or sufficiency of any such information.

Overview

CP ALL was established in 1988 by the Charoen Pokphand Group to operate the convenience store business in Thailand under the “7-Eleven” trademark under licence from 7-Eleven, Inc., USA. In 1989, the first 7-Eleven outlet in Thailand was opened on Patpong Road. By 30 September 2013, CP ALL had a total of 7,319 7-Eleven stores across Thailand.

In addition, CP ALL has invested in other businesses which support its core convenience store business in Thailand.

Recent Developments

Acquisition of Siam Makro Public Company Limited (“Makro”)

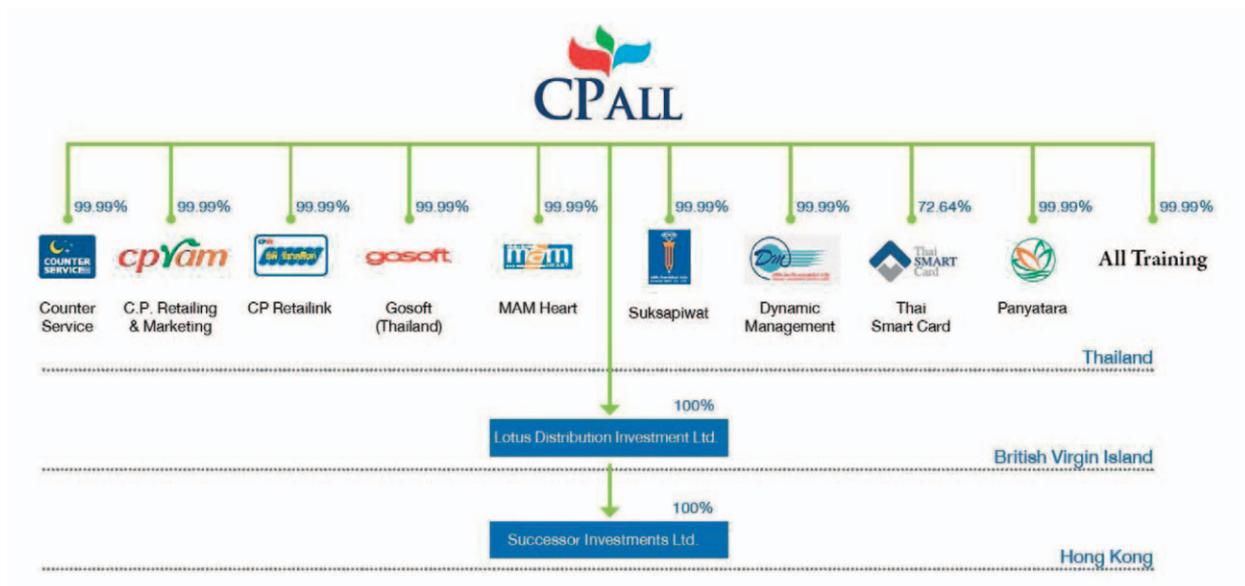
On 23 April 2013, CP ALL entered into a sale and purchase agreement (“Makro SPA”) with SHV Nederland B.V. (the “Makro SHV”) to acquire ordinary shares of Makro, both directly and indirectly, by acquiring the shares in a) Makro, b) Siam Makro Holding (Thailand) Ltd. and c) OHT Co., Ltd. Under the Makro SPA the consideration paid was approximately U.S.\$4,247 million or approximately THB121,536 million, or at a price of THB787 or U.S.\$27.50 per share (at the exchange rate of THB28.6181 per U.S.\$1, which was the exchange rate on the date of execution of the Makro SPA). On 27 June 2013, CP ALL made a tender offer to purchase the remaining 81,264,900 ordinary shares of Makro from other shareholders, which was equivalent to 33.86 per cent. of Makro’s total issued and paid-up shares. The offer price for the ordinary shares was THB787 per share. As at 5 August 2013, CP ALL obtained 76,172,375 shares from the completed tender offer, representing 31.74 per cent. of Makro’s total issued and paid-up shares, increasing CP ALL’s direct and indirect shareholding in Makro to 97.88 per cent. of the total issued and paid-up shares.

Foreign Holding Limit

According to CP ALL’s articles of association, no more than 49 per cent. of the total issued CP ALL Shares may be held by non-Thai shareholders/foreign investors. As at 8 January 2014, 28.62 per cent. of the total issued CP ALL Shares were held by non-Thai shareholders/foreign investors.

Corporate Structure

The following is the corporate structure of the CP ALL Group as at 31 December 2012.



MARKET PRICE INFORMATION

The CP ALL Shares have been listed on the SET since 14 October 2003. The following table shows the high/low market prices and the total trading volume of the CP ALL Shares on the SET during the indicated periods.

Period	Share Price (THB per share)			Average Daily Trading Value (THB million)	Average Daily Trading Volume (million shares)
	Closing	Maximum	Minimum		
2008.....	12.30	12.40	7.00	74.6	7.1
2009.....	24.80	25.00	10.90	147.9	9.1
2010.....	39.25	45.25	22.40	310.7	9.7
2011.....	51.75	53.50	32.00	413.1	9.4
2012.....	46.00	77.25	32.50	879.9	21.6
2013.....	42.00	52.00	32.00	1,441.6	35.2
2014					
January (through 6 January).....	40.25	42.50	39.00	802.9	79.9

As at 6 January 2014, the closing price of the CP ALL Shares was THB40.25.

There is no public market outside Thailand for the CP ALL Shares. As at 6 January 2014, there were 8,983,101,348 outstanding and fully subscribed CP ALL Shares.

The SET has experienced significant fluctuations in the prices of listed securities and there are currently limits on the range of daily price movements. For more information, see “Risk Factors — Risks Relating to Thailand — The Thai securities market is relatively small and may be subject the market price of the Bonds and the CP ALL Shares to greater volatility”.

DESCRIPTION OF THE SHARES AND THE NVDRS

Set forth below is certain general information relating to CP ALL Shares extracted from publicly available sources including brief summaries of certain provisions of its Articles of Association, the Public Limited Companies Act B.E. 2535 (1992), as amended (the “PLCA”) and the Securities and Exchanges Act B.E. 2535 (the “SEC Act”), all as currently in effect.

General

CP ALL is governed by its Articles of Association, the SEC Act and the provisions of the PLCA. CP ALL was converted from a private limited company into a public limited company on 12 March 1999.

Share Capital

As at 30 September 2013, CP ALL paid-up share capital was THB8,983,101,348, consisting of 8,983,101,348 shares of THB1 par value each, while the registered share capital was THB8,986,296,048, consisting of 8,986,296,048 shares of THB1 par value each. All issued Shares are fully paid and in registered form, and are recorded in share register book maintained by the Thailand Securities Depository Co., Ltd. (the “TSD”).

Transfer of Shares

Under the PLCA, which applies to shares listed on the SET, a transfer of listed shares in scrip form is valid between the transferor and the transferee by an endorsement on the back of the share certificate representing the shares transferred, execution by the transferor and the transferee, and the delivery of the endorsed certificate to the purchaser or his broker. For a transfer to be valid against the issuer company, a request for an entry of the transfer into a share register book must be received by CP ALL. To be valid against a third party the entry of the transfer must actually be made into the share register book.

See “Taxation—Thai Taxation” for a description of Thai stamp duty on transfers and “The Thai Securities Market” for a description of transfer procedures for trades on the SET.

Limitation on Foreign Ownership of Shares

Under the PLCA, CP ALL are not allowed to set up share transfer restrictions, unless the purpose of the restriction is to preserve its lawful rights and benefits or to maintain the ratio of shareholding between Thai shareholders and non-Thai shareholders.

Under CP ALL’s Articles of Association, no more than 49 per cent. of the total issued CP ALL Shares may be held by non-Thai shareholders.

Articles of Association of CP ALL do not provide sanctions for the transfer of shares in violation of the limitations contained in Articles of Association, or a method for requiring the divestiture of such Shares. Nonetheless, if a non-Thai person acquires Shares which results in the aggregate percentage of Shares owned by non-Thai persons exceeding 49 per cent. of the issued CP ALL Shares, there can be no assurance that such person will not lose the benefit of such investment (i.e. he will not be entitled to attend and vote at any shareholders’ meeting and/or receive any dividends) either because CP ALL’s registrar may refuse to register the ownership of such Shares or because divestment may be required by applicable Thai law and regulations. It is not always possible for a non-Thai person acquiring shares to know in advance whether the Shares being acquired will fall within legal limits and be eligible to be registered in such person’s name.

As at 8 January 2014, the total foreign shareholdings of CP ALL Shares was 28.62 per cent.

Dividends

Annual dividends are recommended by CP ALL's board of directors, and are subject to shareholders' approval at the annual general meeting of the shareholders. The board of directors by resolution may decide to pay to the shareholders such interim dividends as appear to the directors to be justified by CP ALL profits. After such interim dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholders meeting. Dividends (annual or interim) are distributed equally on each outstanding share. Dividends may be distributed either in cash or, if approved by the shareholders in a general meeting, in the form of shares. See "Dividend Policy" for a description of CP ALL's dividend policy.

Pursuant to the PLCA and Articles of Association, CP ALL cannot make any distribution of dividends otherwise than out of its net profit. CP ALL is also not permitted to pay dividends if its retained earnings are not positive, even if CP ALL record a positive net profit for the year. In addition, in any year in which CP ALL have a net profit, CP ALL is required by the PLCA and by Articles of Association to set aside as a reserve an amount not less than 5 per cent. of annual net profit less any accumulated losses carried forward until the total reserve is not less than 10 per cent. of CP ALL's registered capital.

Any claim made against CP ALL with respect to the payment of dividends will be valid only within 10 years from the relevant payment date.

General Meetings of the Shareholders

CP ALL's board of directors is required to convene an annual general meeting of shareholders within four months from the last day of its fiscal year. CP ALL's board of directors may call an extraordinary general meeting whenever the board of directors deems it appropriate, and is required to call such a meeting upon the written request of the holders of at least 20 per cent. of its total issued shares, or not less than 25 shareholders holding, in aggregate, not less than 10 per cent. of its total issued shares. Notice of any general meeting must be given to all shareholders and the Registrar, Department of Business Development, MOC at least seven days in advance. Publication of said notice must be made for three consecutive days in a local newspaper not less than three days prior to the meeting.

A quorum for any shareholders' meeting is constituted by the presence, either in person or by proxy, of not less than the lesser of 25 shareholders or one half of the total number of shareholders, in either case holding in aggregate not less than one third of the total number of issued shares. If a quorum is not present within one hour, a general meeting shall be dissolved in the case where the meeting was requested by shareholders and in every other case shall be adjourned to another date prior to which notice must be sent to shareholders at least seven days in advance. A quorum is not required for the adjourned meeting to be properly constituted.

CP ALL Articles of Association provides that at the annual general meetings of shareholders, shareholders shall:

- review the report of the board of directors regarding the operating results in the preceding year;
- consider and approve CP ALL's financial statements for the past year;
- consider and approve profit allocation;

- consider and elect new directors in place of those who are retiring by rotation;
- appoint and fix the remuneration of its auditor; and
- consider any other business.

Voting Rights

A shareholder is entitled to one vote per share. A resolution can be adopted at a general meeting of shareholders by a simple majority of the votes of the shareholders who attend the meeting, except, among others, in the following matters, which require at least three fourths of all shareholders present and entitled to vote:

- the sale or transfer of all or a substantial part of its business to other persons;
- the purchase by CP ALL or acceptance of transfer of the businesses of other companies to CP ALL;
- the making, amendment or termination of contracts relating to the leasing out of all or a substantial part of CP ALL business, the assignment of any other persons to manage CP ALL business or the consolidation of the business with other persons with an objective towards profit and loss sharing; and
- the increase or reduction of registered capital, issuance of bonds, amalgamation with another company, its dissolution and the amendment to CP ALL's Memorandum of Association and Articles of Association.

The election of directors requires a resolution of a general meeting of shareholders. The persons who receive the highest number of votes ranked in descending order that corresponds to the number of directors to be elected during the meeting will be elected as directors. The removal of a director before his/her term requires a resolution of a general meeting of shareholders of not less than three fourths of all shareholders present and entitled to vote, holding shares in aggregate of not less than one half of the total number of shares present and entitled to vote.

In addition, to fix the remuneration of directors requires a resolution of a general meeting of shareholders of not less than two thirds of all votes present.

Issuance of Additional Shares

The PLCA provides that all or some of any new shares issued may, by a resolution of shareholders adopted at a general meeting, be offered to existing shareholders in proportion to their respective shareholding or offered to the public or other persons. Such resolution must be registered with the Registrar, Department of Business Development, MOC. Every increase of the registered and paid-up share capital must be registered with the MOC and no share certificate can be issued without such prior registration.

Financial Statements

The PLCA provides that CP ALL's board of directors must prepare a non-consolidated statement of financial position and income statement annually, at the end of each fiscal year. The statement of financial position and income statement must be certified by the auditor and approved by the shareholders at the annual general meeting of shareholders. A copy of the statement of financial position, income statement, auditor's report and the annual report of the board of directors, together with the notice of the annual general meeting of shareholders, will be sent to all shareholders at their respective addresses as listed in the share register book.

In addition to the PLCA requirements set out above, as a SET-listed company and in compliance with the regulations of the Thai SEC, CP ALL will be required to prepare and submit to the SET and the Thai SEC annual audited non-consolidated and consolidated financial statements within three months, as the case may be, from the end of each accounting year and quarterly reviewed non-consolidated and consolidated financial statements within 45 days from the end of each quarter.

Liquidation Rights

The PLCA provides that in the event of liquidation, the assets remaining after payment of all debts, liquidation expenses and taxes will be distributed among the shareholders in proportion to the number of shares held.

Acquisition by CP ALL of Its Own Shares

Pursuant to the PLCA and Articles of Association, CP ALL may not own its own shares, or take them in pledge, provided that:

- CP ALL may repurchase its shares from dissenting shareholders who vote against a shareholders' resolution at a shareholders' meeting approving an amendment to the Articles of Association in respect of voting rights and the right to receive dividends which such shareholders view to be unfair to them; or
- CP ALL may repurchase its shares for financial management purposes when CP ALL have accumulated profits and excess liquidity, provided that the share repurchase will not cause CP ALL financial difficulty.

In order to repurchase shares, CP ALL must obtain approval from its shareholders. However, if the share repurchase is not more than 10.0 per cent. of the paid-up capital, CP ALL's board of directors is authorised to approve such share repurchase without shareholder approval.

Shares purchased and held by CP ALL may not be counted towards forming a quorum for meeting of its shareholders, and do not carry any voting rights or the right to receive any dividend. Under Thai law, CP ALL is required to sell these shares within the period prescribed by the shares repurchase scheme but not exceeding three years from the completion of the share repurchase. If CP ALL fails to dispose of the shares within this prescribed period, it is required to reduce paid-up capital by writing off the unsold shares. Where any person, on his own or with his related person, acquires or disposes of the CP ALL Shares and thereby increases or decreases the number of the shares by any multiple of 5 per cent. of the total number of voting rights of such business, such person shall report to the Office of Securities and Exchange Commission within three business days following the date of such acquisition or disposition.

Non-Voting Depositary Receipts

Investment in Thai companies or in certain Thai securities by "non-Thai persons" may be limited by the Foreign Business Act B.E. 2542 (1999), by a Board of Investment Promotion certificate issued under the Investment Promotion Act B.E. 2520 (1977), as amended, or by restrictions contained in a company's articles of association. A new class of securities in Thai companies, non-voting depository receipts, or "NVDRs" issued by Thai NVDR Company Limited represents an investment alternative that allows foreign investors to receive financial benefits (but not voting rights) associated with the ownership of securities in a company whose securities are listed on the Stock Exchange without being concerned about the foreign shareholding limitation. The creation of NVDRs was authorised by the SEC in accordance with the SEC notification No. TorJor. 31/2552 re: Offering of Non Voting Depositary Receipt by the Subsidiary of the Stock Exchange of Thailand, dated 1 September 2009. The NVDRs are a

SET-listed security issued by the Thai NVDR Company Limited, a wholly owned subsidiary of the SET, representing underlying shares registered in the name of Thai NVDR Company Limited, enabling non-Thais to receive the underlying economic benefits of shares that may otherwise only be held by Thai persons. The Thai NVDR Company Limited may issue additional NVDRs from time to time upon receipt of NVDR purchase orders from investors and after the purchase of the underlying shares. Holders of NVDRs are not considered shareholders of the underlying issuer, and do not have any rights as shareholders of the underlying issuer. Thai NVDR Company Limited, as the shareholder of the underlying issuer, reserves the right to attend the meeting of the shareholders of the underlying issuer but shall not vote unless the meeting has been called specifically to consider delisting of the underlying securities. No person may hold NVDRs and shares in a Thai listed company that reaches or exceeds 25% of the total number of voting rights of such company. Where any person, on his own or with his related person, acquires or disposes of the NVDRs and the underlying shares and thereby (treating each NVDR as the equivalent of one underlying share) increases or decreases the number of the shares by any multiple of 5 per cent. of the total number of voting rights of such business, such person shall report to the Thai NVDR Company Limited within three business days following the date of such acquisition or disposition.

NVDRs are an alternative option for investment in Thai companies by foreign investors. Both Thai and foreign investors can invest in NVDRs. NVDR holders receive many of the same benefits as they would have received had they invested directly in CP ALL shares (i.e., dividends and the ability to participate in right issues). However, the key difference between investing in NVDR and CP ALL shares is in regard to voting rights because NVDRs, unlike ordinary CP ALL shares, have no voting rights. Consequently, unlike CP ALL shareholders, NVDR holders cannot be involved in company decision-making. Trading NVDRs is similar to trading other securities on the SET.

For a summary of the terms and conditions of the NVDRs and other information relating to the NVDR status and rights of holders of NVDRs, please see www.set.or.th/nvdr/en/about/about.html.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the average buying (telex transfer) and selling exchange rate of commercial banks in Bangkok announced by the Bank of Thailand, which are referred to as the reference rate. Any translation made in this Offering Circular is for the sole purpose of convenience and has not been audited. No representation is made that the THB amounts referred to herein could have been or could be converted into U.S. dollars at any particular rate or at all.

	<u>At Period End</u>	<u>Average⁽¹⁾</u>	<u>Low</u>	<u>High</u>
2008.....	34.93	33.38	31.16	35.76
2009.....	33.36	34.32	33.13	36.22
2010.....	30.15	31.70	29.57	33.28
2011.....	31.70	30.50	29.70	31.72
2012.....	30.63	31.09	30.25	31.91
2013.....	32.82	30.74	28.66	32.82
2014				
January (through 6 January)	33.11	33.01	32.91	33.11

Source: Bank of Thailand

(1) Averages are based on daily reference rates.

On 27 December 2013, the reference rate was THB32.823 = U.S.\$1.00.

THE THAI SECURITIES MARKET

History

The first organised stock exchange in Thailand was formed as a limited partnership in 1962 which later became a limited liability company and changed its name to the Bangkok Stock Exchange Co., Ltd in 1963. Approximately 35 securities were listed on the Bangkok Stock Exchange but trading remained low by comparison with present volumes. Following a Government initiative in 1969, plans were drawn up for an official stock exchange, and in May 1974 the Securities Exchange of Thailand Act B.E. 2517 (1974) (the “SET Act”) was enacted, leading to the replacement of the Bangkok Stock Exchange with the Securities Exchange of Thailand. In January 1991, the Securities Exchange of Thailand was renamed the Stock Exchange of Thailand. The SET Act provided the basis for regulation of the primary and secondary securities markets in quoted securities in Thailand and placed responsibility for control of the SET with the Ministry of Finance.

Dealings at the SET commenced on 30 April 1975, with a total of 16 quoted securities. The SET Index was also established on this date. The SET Index was established to show the market price movement of the traded securities. The SET Index includes all listed shares. It was set at 100 on the SET’s opening day. The SET Index uses the most recent transacted price for a security when no transaction in that security occurs on a particular day and is adjusted for new listings, de-listings and capitalisation changes.

The SET is the principal stock exchange in Thailand. Public limited companies, state enterprises, juristic persons established under special purpose legislation or investment projects or foreign listed company having the appropriate qualifications may file applications with the SET to have their securities listed.

In February 1992, the National Legislative Assembly passed the Securities and Exchange Act B.E. 2535 (1992), or the Thai SEC Act, which replaced the SET Act and came into force in May 1992. The Thai SEC Act had provided for the establishment of the Securities and Exchange Commission, or the Thai SEC, and empowered it to introduce policies for the development and supervision of the securities markets and related activities in Thailand. The PLCA, which came into force in June 1992, repealing the Public Limited Companies Act B.E. 2521 (1978), provides that only companies incorporated (or which have converted their incorporation status) under the PLCA are permitted to issue shares or other equity-linked securities to the public. A public offering of newly issued securities is permitted only where the issuer of such securities has received approval from the Thai SEC to offer such securities and a registration statement in the prescribed form together with a draft prospectus submitted to the Thai SEC by the issuer of the securities have become effective.

While primary responsibility for the regulation of new securities issues has shifted to the Thai SEC, the SET continues to operate the stock exchange and is responsible for listing application approvals once the Thai SEC registration, prospectus and related requirements have been met for Thai public offerings.

In July 1992, the SET expanded its Securities Depository Centre, or SDC, by allowing, in addition to brokers, local custodians, sub-brokers and any juristic person who is allowed to be an eligible depositor as stipulated by the SET to become members of the settlement system. At the same time, the SET introduced regulations to facilitate the establishment of the scripless trading system. In the past several years, due in part to the economic situation in Thailand and Southeast Asia as well as the depreciation in the value of the Baht, the SET has experienced significant volatility. Between 3 January 1996 and 27 December 2002, the SET

Index fell from 1,323.43 to 356.48, a decline of 73.1 per cent. See “Risk Factors — Risks Relating to Thailand — The Thai securities market is relatively small and may be subject the market price of the Bonds and the CP ALL Shares to greater volatility” for a discussion of the risks relating to the trading and prices of CP ALL shares on the SET.

The Stock Exchange of Thailand

The SET is the principal stock exchange in Thailand and is organised as a non-profit entity, composed of members which are securities companies. The SET is responsible, inter alia, for processing all listing applications, for ensuring that disclosure requirements for listed companies are met and for monitoring all trading activities in respect of listed securities. TSD now acts as securities depository, dividend paying agent, transfer agent, and registrar for the great majority of all listed Thai companies and Thai Clearing House Company Limited or TCH acts as clearing house.

There are four separate boards on the SET on which trading takes place on computerised systems: the main board for regular trading of shares, preference shares, warrants, NVDRs, investment units and investment units of Thai Trust Funds; the odd-lot board for dealings in odd lots; and the big lot board for dealings in large lots of securities; the foreign board for trading in foreign registered shares which are available to be registered in the name of non-Thai nationals. In September 1987, the SET established a “foreign board” on the exchange for dealings only in securities registered in the name of non-Thai persons. Trading in this foreign board has so far been sporadic although on occasions the volumes traded have been material in relation to those traded on the “main” (or “domestic”) board. The prices at which shares have been dealt on the foreign board have at times been at a premium to those then being quoted on the main board.

On 16 July 2012, the SET promulgated a new regulation regarding the trading, clearing, and settlement of securities on the SET, which revokes the trading boards. This new regulation came into effect on 3 September 2012. Subsequently, the trading of securities will depend on the type of securities and the trading methods performed, which include the Automated Order Matching and Trade Report methods. The Automated Order Matching is for the trading of securities, both Thai and foreign registered securities, in board lots and odd lots. The Trade Report (previously known as Put-Through) is for the trading of securities in Big lots, foreign-registered securities, off-hour trading and buy-in whereby the brokerage firms negotiate and agree on the price and then send the result through the trading system of the SET.

Shares are traded in one board lot (100 shares) or multiples of board lots except that, in the case of shares for which the closing price on each trading day has been in excess of THB500 for six consecutive months, the SET may consider changing the board lot to 50 shares. Trading hours are divided into two sessions. In the first session, trading commences between 9.55 a.m. and 10.00 a.m. and ceases at 12.30 p.m., and in the second session trading commences at any time from 2.25 p.m. to 2.30 p.m. and ceases between 4.35 p.m. and 4.40 p.m., except that trading on the odd-lot board ceases at 4.30 p.m. Trading days are Monday through Friday, except for Thai public holidays and holidays as prescribed by the SET in each year.

The SET requires that bid and offer quotations for shares be within prescribed spreads, depending on the market price per share and in accordance with a table of values. Subject to certain exceptions, the SET also limits upward and downward price movements for shares during a trading session to 30 per cent. of the previous business day’s closing price.

Effective from 1 January 2012 onwards brokers are permitted to charge brokerage or agent’s fees at the rate as agreed with their customers.

Under the disclosure regulations of the SET, listed companies are required to report the following, among other things, to the Thai SEC and the SET for public disclosure:

- corporate resolution or other event which will have a material effect on the rights of a company's shareholders or that might materially affect the value of the shares; in principle, such events are required to be reported on the day such an event occurs or on the next trading day at least one hour before the commencement of trading;
- audited annual financial statements for each accounting period, conforming to prescribed disclosure standards, which must be filed within three months of the end of the relevant accounting period;
- annual registration form (Form 56-1), which must be filed within three months of the end of the relevant accounting period;
- an annual report, which must be filed within 120 days of the end of the relevant accounting period; and
- quarterly unaudited financial statements reviewed by a licenced auditor, which must be filed within 45 days of the end of each quarter.

Thailand Securities Depository Company Limited

In November 1994, the SET established a private limited company, Thailand Securities Depository Co., Ltd., or TSD, pursuant to the Thai SEC Act to undertake four main functions: registrar, securities depository centre, clearing house and broker operation services. Since the commencement of its operations in January 1995, TSD operates a clearing and settlement system for scripless shares of Thai public companies and has transferred this function to Thai Clearing House Co., Ltd. ("TCH"), a subsidiary of the SET, since 2010. The TSD is 99.9 per cent. owned by the SET and has a registered capital of THB200.0 million. Under the Thai SEC Act, TSD may operate without a licence from the Thai SEC as long as the SET owns a minimum of 75 per cent. of the total shares of TSD. The following persons may become members of TSD: (1) securities companies; (2) commercial banks; (3) finance companies; (4) life or non-life insurance companies; (5) financial institutions established by specified legislation; and (6) other persons as prescribed by the SET.

Short Selling

The Thai SEC issued a new notification in August 2009 (effective from September 2009) allowing securities companies to conduct short selling activities, either for their own account or for the account of their customers. Before undertaking short selling for its own account, a securities company is required to procure its source for borrowing securities so that it is able to deliver the securities pursuant to the short selling transaction in the time period prescribed by clearing house, TSD or as agreed between the parties.

In case of short selling to the order of a customer, a securities company is required to ensure the availability of securities or the availability of a source of securities for the purpose of lending those securities to the customer, except where a customer has shown that it has already borrowed the securities and is able to deliver the securities for the settlement purpose pursuant to the short selling transaction within the time prescribed by the clearing house, TSD or as agreed between the parties. Under the SET notification issued in January 2001 and amended, a securities company which is a member of the SET may carry out short selling only with respect to securities specified by the SET. This is however not the case where a securities company is short selling securities for which it is allowed to be a market maker.

Securities Lending and Borrowing

The Thai SEC issued notifications allowing a person wanting to conduct the business of securities lending and borrowing to apply for a licence from the Minister of Finance through the Thai SEC.

In the borrowing or lending of securities, both the licenced securities borrower and securities lender are required, among other things, to prescribe the procedures for accepting the customers, arrange for having risk management system and arrange for a securities lending agreement to be executed. Pursuant to Thai regulations, the securities borrower may be required to provide security, to the lender thereof. The security may be given which includes in the form of cash, treasury bills, Government bonds, bonds of the Bank of Thailand, listed securities, units of daily redemption fund or other instruments specified by the Thai SEC.

Market Making

Market makers are responsible for creating liquidity in securities listed on the SET. The SET, pursuant to its notification issued in July 2012, allows a member of the SET to be registered as a market maker for the securities that it is registered for. A non-SET member certified by a SET member can also be registered as a market maker if it qualifies under the notification. The SET notification also clarifies the duties and function of the market maker.

MAI

In June 1999, the SET established, with the Thai SEC's approval, the Market for Alternative Investment renamed as MAI, to facilitate access to capital markets by small and medium-sized enterprises, or SMEs. The MAI's principal objectives include providing alternative financing for, and encouraging venture capital investment in, SMEs and providing additional investment alternatives to public investors. CP ALL is not listed, and do not intend to list, on the MAI.

Independent Directors and Audit Committee Requirements

In 2008, the Thai SEC issued regulations requiring all companies applying for a public offering with the Thai SEC to ensure at least one third of the Board is composed of independent directors, with the necessary qualifications required by the regulations, and in any case, the number of the independent directors shall not be less than three.

In January 1998, the SET issued regulations requiring all public companies whose shares are listed on the SET to set up an audit committee. In addition, in October 2003, the Thai SEC issued similar regulations for companies that apply for a public offering with the Thai SEC. The audit committee must include not less than three independent directors appointed by the shareholders or by the board of directors in accordance with the rules of the SET and the Thai SEC. The SET and the Thai SEC both require at least one member of the audit committee to have sufficient knowledge and experience to review the reliability of the financial statements.

The SET and the Thai SEC specifically require the audit committee to carry out the following duties:

- to review the company's financial reporting process to ensure that it is accurate and adequate;
- to review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

- to review the company's compliance with the law on securities and exchange, the regulations of the SET, and the laws relating to the company's business;
- to consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- to review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the SET, and are reasonable and for the highest benefit of the company;
- to prepare, and to disclose in the company's annual report, an audit committee's report which must be signed by the Chairman of the audit committee and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and credibility of the company's financial report;
 - (b) an opinion on the adequacy of the company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the audit committee meetings, and the attendance at such meetings by each committee member;
 - (g) an opinion or overview of comments received by the audit committee from its performance of duties in accordance with the charter; and
 - (h) 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.
- to perform any other act as assigned by the company's board of directors, with the approval of the audit committee.

Thai SEC Reporting and Tender Offer Requirements

Under the Thai SEC Act, the Thai SEC and the Capital Market Supervisory Board notifications issued thereunder, an acquisition or disposition of shares or convertible securities of a listed company (either on his own or acting in concert with others or through related companies under section 258 of the Thai SEC Act) such that the holder holds any multiple of 5 per cent. of the total number of voting rights of such company must be reported to the Thai SEC within 3 business days. Notwithstanding the above, a disposition of convertible securities in a listed is not required to be reported to the Thai SEC.

A mandatory tender offer must be made when a person (either on his own or acting in concert with others) acquires shares in a listed company resulting in such person holding shares which are equal to or in excess of the following threshold amounts:

- 25 per cent. of the total number of voting rights of such company;

- 50 per cent. of the total number of voting rights of such company; or
- 75 per cent. of the total number of voting rights of such company.

In the case where a listed company buys back its own shares, a mandatory tender offer is also required to be made if a person acquires any additional shares in the company resulting in such person's shareholding becoming equal to or in excess of the foregoing thresholds.

In addition, a mandatory bid is required to be made if a person (either on his own or acting in concert with others) acquires significant controlling power in a juristic person that is an existing shareholder of a listed company ("chain principle"), regardless of whether such controlling power is direct or indirect through shareholding or control in any juristic persons down through the juristic person that is the existing shareholder of the listed company.

However, a mandatory bid is exempted in any of the following circumstances:

- where shares are acquired by inheritance or from the exercise of rights to purchase shares or of conversion rights attaching to convertible securities acquired by inheritance;
- where the acquisition of shares takes place following a stock dividend or the exercise of pre-emptive rights to purchase new shares in proportion to the number of existing shares already held ("rights offering");
- where shares are acquired in the course of a separate tender offer for all of the securities of the company or from the exercise of rights to purchase shares or conversion rights attaching to convertible securities acquired in the course of a separate tender offer for all of the securities of the company, in accordance with the relevant Thai SEC notifications;
- the acquisition of shares by the following persons who, according to relevant regulations, do not normally exercise voting rights at a shareholders' meeting of a listed company: (i) the Thai Trust Fund (which is a passive open-ended mutual fund established and managed by Thai Trust Fund Management Company Limited, 99.0 per cent. of whose shares are controlled by the SET); and (ii) Thai NVDR Company Limited, as a result of its sale of non-voting depository receipts;
- where the acquirer reduces his shareholding or controlling power, in a manner prescribed by the notifications of the Thai SEC;
- where the Thai SEC has granted approval for a partial tender offer; and
- where a waiver is obtained from the Thai SEC or from the Take-over Panel in one of the following circumstances:
 - a waiver of the mandatory tender offer may be obtained from the Thai SEC in the following cases:
 - the acquisition of shares triggering the mandatory bid obligation causes no change in the control of the company;
 - the acquisition was made with a purpose of assisting or rehabilitating the company;
 - the acquisition of new shares and the shareholders' meeting approves the issue of such shares to such person without need to make the tender offer for all securities of the company (whitewash), in accordance with criteria prescribed by the Thai SEC;

- the acquisition in a circumstance where the Take-over Panel has established a precedent; and
 - in any other circumstances in which the Thai SEC deems necessary and otherwise appropriate;
- (ii) a waiver of the mandatory tender offer may be obtained from the Take-over Panel in the following cases:
- the acquisition of significant controlling power over a juristic person which is a shareholder of a listed company (“chain principle”) without an intention to take over such listed company; and
 - in any other circumstances where the Thai SEC deems a waiver should be considered by the Take-over Panel.

Foreign Ownership

The Thai Government has generally allowed foreign investment, but on a controlled basis in certain sectors of the economy. Investment in Thai companies or in certain Thai securities by “non-Thai persons” (as defined in relevant laws or in a company’s articles of association) may be limited by the Foreign Business Act B.E. 2542 (1999), by a Board of Investment Promotion Certificate issued under the Investment Promotion Act B.E. 2520 (1977), as amended, or by restrictions contained in a company’s articles of association. The articles of association of many Thai companies, including CP ALL, contain such restriction. See “Description of Shares—Limitation on Foreign Ownership of Shares”. The TSD, as CP ALL registrar, may refuse to register transfers of Shares to a non-Thai person, or divestment may otherwise be required, if as a result of such transfer the percentage of issued and outstanding Shares registered in the name of non-Thai persons would exceed the then applicable limitation on foreign ownership of the Shares. Ownership of the Shares by non-Thai persons as such is not otherwise restricted by Thai law.

Where a foreign investor acquires CP ALL Shares that would exceed the applicable limit, the investor is exposed to the risk of losing the benefit of such investment because ownership may not be registered in such foreign person’s name unless the investor holds NVDRs with respect to CP All Shares.

It is not always possible for a foreign purchaser of Thai securities (that are subject to such limits) to know in advance whether shares purchased by him will fall within the limits and be eligible to be registered in his name, or whether the company or the TSD, as share registrar, will have to decline to effect registration of the transfer. It is a criminal offence in Thailand for a Thai national to hold shares as a nominee for a foreign person if it is done to avoid any applicable maximum limit on foreign ownership imposed by Thai law.

Settlement

General

All settlement and clearance of transactions effected on the SET must be handled by the TCH on the third business day following the day of the contract date. The TCH offsets sales and purchases of each member and only the net balance of securities and cash delivered or received by the member through the TCH is credited.

Shares in Certificated Form

As between sellers and their brokers, sellers must deliver the relevant share certificates duly endorsed to their brokers by no later than midday on the next business day following the date of the contract subject to the internal regulation of the brokers. The respective brokers for the seller and buyer receive the payment or, as the case may be, the securities certificates on or before the third business day after the contract date. On or before the fourth business day after the contract date, the broker for the seller must deliver the duly endorsed securities certificates to or for the order of the buyer. Delivery is made in the form of certificate(s) or certificate receipt(s). The latter is an acknowledgement by the registrar for the shares in question that the shares are in the course of registration and must be exchanged for share certificates before the new owner can have them registered in his name.

Shares in Scripless Form

In July 1992, the SET introduced regulations to facilitate the establishment of a scripless trading system. Under this scripless system, a member broker, sub-broker or local custodian may deposit certificates in respect of securities with the TSD. Any person becoming a TSD participant is required to open at least one account with the TSD for the deposit, withdrawal or transfer of securities. After the TSD has accepted a deposit of securities, it will hold such securities on behalf of its participants or its participants' clients. In addition, each TSD participant is obliged to maintain a list of owners of the securities deposited with it for establishing ownership rights to the securities and any other shareholder rights. Sales and purchases of securities are settled by off-setting the relevant securities deposit accounts via computers and at the end of each trading day the TSD delivers a statement showing the balance of securities held for each participant.

Transfer of Shares

Transfers of listed shares, whether effected on or off the SET are governed by the PLCA, and the Thai SEC Act. Under the PLCA, and the Thai SEC Act, a transfer of listed shares in certificated form is valid as between the transferor and the transferee by an endorsement on the back of a share certificate representing the shares transferred, execution by the transferor and the transferee, and the delivery of the endorsed certificate to the purchaser. To be valid as against the company, a request for an entry of the transfer into a share register must be received by the company; and to be valid against a third party, the entry of the transfer must actually be made into the share register.

Under the Thai SEC Act, transfers of scripless shares are made by way of appropriate instruction to the relevant brokers, sub-brokers or custodians with whom the transferor and the transferee involved maintain securities accounts in accordance with individual arrangements with such brokers, sub-brokers or custodians. Upon receipt of such instructions, the relevant brokers, sub-brokers or custodians will, in accordance with such arrangements, effect the relevant changes in the list of owners of the securities they are required to maintain for rights and entitlement purposes.

Share Transfer Registration

A public listed company (or TSD if acting as its registrar) must record in the share register the transfer of its shares within 14 days of receipt of a written request for an entry of the transfer. If the transferee requires a new share certificate, the company (or TSD if acting as its registrar) must issue a new share certificate to the transferee within one month from the date that the transferee delivers to it the request, duly signed by the transferee (with at least one witness

signing in attestation to the signature), and the previous share certificate or other relevant evidence must be properly returned by the transferee. In such cases, the company must record the transfer in the share register within seven days of receipt of a written request for an entry of transfer.

Listing of Newly Issued Shares

Although a company whose shares are listed on the SET is required to maintain a listing on the SET for all its issued shares of that class, it must make a separate application for the listing of new shares of that class when they are issued. The SET is entitled to consider a listing application for up to seven days from the date of submission of the completed listing application. Unless and until listing approval is given and listing has become effective, the shares may not be dealt in on the SET but purchasers and sellers may be matched through brokers in off-exchange transactions.

Internet Trading

In January 2000, the SET allowed the trading of securities through the internet. A member broker wishing to offer internet trading services is required to apply for permission from the SET and the broker's computer and security systems must meet the regulations of the SET.

THAI FOREIGN EXCHANGE REGULATIONS

Thai foreign exchange controls are administered by the Bank of Thailand on behalf of the Ministry of Finance, pursuant to the Exchange Control Act B.E. 2485 (1942), as amended. The Bank of Thailand has granted commercial banks and certain other entities the authority to conduct foreign exchange transactions as authorised agents of the Bank of Thailand. The Bank of Thailand instituted measures since 1998 to restrict certain foreign exchange related transactions by domestic financial institutions with non-residents of Thailand and to safeguard against instability and speculation in the domestic currency market. However, the easing of exchange controls may be granted from time to time as the Bank of Thailand considers appropriate to the financial circumstance. These measures, which were amended on 29 February 1998, among other things, (i) limit the value of foreign exchange related transactions for underlying trade or investment activities in Thailand not exceeding the actual value of the underlying trade or investment activity and, for transactions without any underlying trade or investment activity in Thailand, not exceeding THB300 million or THB10 million, depending on the type of transaction, per non-resident and its related parties as a group; and (ii) regulate direct loans granted to non-residents.

The inward remittance of money into Thailand for investment in securities does not require registration with the exchange control authorities. The Bank of Thailand issued significant Notification of the Exchange Control Officer on Rules and Practices Regarding Currency Exchange No. 15 (as amended by the Notifications of the Exchange Control Officer on Rules and Practices Regarding Currency Exchange No. 21 in June 2013) (collectively, the "Notification") which amended the criteria for depositing foreign currency into a foreign currency account. The Notification required that any person (excluding non-residents, short-term foreign residents, foreign embassy staff, persons with diplomatic immunity and staff of certain international organisations) bringing foreign currency into Thailand must, within 360 days, either (i) sell such foreign currency to an authorised agent or (ii) deposit it into a foreign currency account opened with a commercial bank in Thailand for which a specified form must be submitted to such authorised agent if the amount sold or deposited is at least of U.S.\$50,000 or its equivalent.

The outward remittance from Thailand of dividends or the proceeds of sale (including capital gain) from the transfer of shares after payment of the applicable Thai taxes, if any, may be made without the requirement to file a specified form to the relevant authorised agent if the amount does not exceed U.S.\$50,000 or the equivalent amount in relevant currency per remittance. Because the Bank of Thailand has a policy not to allow any person to bring Baht currency out of Thailand, dividends paid to a non-resident must be converted into foreign currency prior to the outward remittance from Thailand. If the amount is at least U.S.\$50,000 or its equivalent in the relevant currency, a specified form must be submitted to the authorised commercial bank together with documents or evidence as to the particular transaction (such as evidence of the disposal of shares).

Export of share certificates or other securities certificates from Thailand does not require prior approval from an exchange control officer appointed by the Bank of Thailand. The exporter may either dispatch the certificates by mail or carry them when travelling abroad.

On 29 February 2008, the Bank of Thailand issued Notification of the Exchange Control Officer on Rules and Practices Regarding Currency Exchange No. 17, which establishes the criteria for the withdrawal and deposit of the Baht into (i) non-resident Baht accounts for the purpose of investing in equity instruments, debt instruments and mutual fund units ("NRBS"), and (ii) non-resident Baht accounts for other purposes, including an investment in at least 10.0 per cent. or more of the total share capital of companies in Thailand.

The Notification provides that an NRBS may only be opened as a current or savings account and no interest may be paid on these accounts unless the account owner is a central bank or prior Bank of Thailand approval is obtain. The Baht funds depositing in the NRBS must be from one of the permitted sources as follows:

- (a) conversion of a foreign currency remitted into Thailand or withdrawal from a non-resident's foreign currency account;
- (b) transfer from another NRBS;
- (c) repatriation of investments in securities or other financial instruments, returns (e.g. sale proceeds or dividend) and payments relating to such investments including payments under derivative contracts traded on Thailand Futures Exchange or the Agricultural Futures Exchange of Thailand; or
- (d) Baht loans from a domestic bank which have a foreign exchange licence ("Resident Bank").

Withdrawal from an NRBS must be made for the following purposes:

- (a) investments in securities (e.g., the Investment Units) or other type of financial instrument and payments related to such investments;
- (b) transfer to another NRBS;
- (c) payment related to a derivatives transaction;
- (d) repayment of a loan to a Resident Bank; or
- (e) purchase of foreign currency from a Resident Bank.

Due to the above restrictions, once Baht funds are deposited into an NRBS, the Non-resident may not change the purpose of the deposit by transferring the Baht funds into a different type of account, unless BOT approval is obtained.

Further to the Notification of the Exchange Control Officer on Rules and Practices Regarding Currency Exchange No. 17 above, the Bank of Thailand has also issued the Rules and Practices on the Measures to Prevent Thai Baht Speculation dated 29 February 2008. The measures establish rules and practices for domestic financial institutions to undertake transactions involving Baht with non-residents in order to reduce volatility of the Baht resulting from speculative activities or from non-residents' financial transactions without underlying trade or investment in Thailand. One of the measures relates to non-resident Baht accounts and non-resident Baht accounts for securities. Where a non-resident wishes to open an NRBS, such account is to be a current or savings account only, and the financial institution is required to monitor the outstanding balances of all NRBSs at the end of each day to ensure that such accounts do not exceed the limit of THB300.0 million per non-resident. Such limitation includes balances of all NRBSs opened by each non-resident with all financial institutions in Thailand, except for those approved by the Bank of Thailand on a case-by-case basis.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules, nor does this summary consider any prospective investor's particular circumstances. Each prospective investor is strongly urged to consult its tax adviser about the tax consequences to it of an investment in the Bonds.

British Virgin Islands

The Issuer is incorporated pursuant to the BVI Business Companies Act, 2004 of the British Virgin Islands as such, (i) payment of principal and interest (if any) in respect of the Bonds will not be subject to taxation in the British Virgin Islands, (ii) no withholding tax will be required to be deducted by the Issuer on such payments to any holder of a Bond and (iii) the Bonds will not be liable to stamp duty in the British Virgin Islands. Gains derived from the sale of Bonds by persons who are not otherwise liable to British Virgin Islands income tax will not be subject to British Virgin Islands income tax. A holder of a Bond who is a non-resident of the British Virgin Islands will not be subject to estate or gift taxes with respect to the Bonds.

However, the BVI has implemented the EC Council Directive 2003/48/EC on the taxation of saving income. A British Virgin Islands-based paying agent would be obliged to disclose tax information to the British Virgin Islands International Tax Authority on behalf of the Financial Secretary who will in turn comply with the information exchange policy under the Directive.

Thailand

Taxation in relation to the Shares

This summary contains a description of the principal Thai income tax consequences of the purchase, ownership and disposition of the Shares into which the Bonds are exchangeable by an individual or corporate investor who is not resident in Thailand for tax purposes (referred to herein as “non-resident individual holders” and “non-resident corporate holders,” respectively, and together as “non-resident holders”). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase ordinary shares. The summary is based upon the tax laws of Thailand in effect on the date of this Offering Circular.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS CONCERNING THE ACQUISITION, OWNERSHIP AND DISPOSITION OF ORDINARY SHARES, INCLUDING THE CONSEQUENCES UNDER THAI LAW, THE LAWS OF THE JURISDICTION OF WHICH THEY ARE RESIDENT AND ANY TAX TREATY BETWEEN THAILAND AND THEIR COUNTRY OF RESIDENCE FOR TAX PURPOSES.

In general, the registered owner of ordinary shares will be treated as the owner of such ordinary shares for Thai tax purposes. In the case of ordinary shares that settle through the TSD's scripless system, the holder whose name appears on the list of owners with respect to the ordinary shares maintained by each TSD-member broker, sub-broker, or custodian will be treated as the owner for Thai tax purposes. See “The Thai Securities Market—Settlement.”

Taxation of Dividends

Dividends in respect of ordinary shares are generally subject to Thai withholding tax at a rate of 10 per cent., whether paid to non-resident corporate investors or to non-resident individual investors.

Taxation of Capital Gains

Gains realised by a non-resident corporate holder from the sale or other disposition of ordinary shares outside Thailand in connection with which payment is made neither from nor within Thailand and neither the purchaser nor the seller reside or do business in Thailand, are not subject to Thai tax. A non-resident corporate holder will be subject to a withholding tax of 15 per cent. on gains realised on any sale or other disposition of ordinary shares in Thailand (including a sale through the SET) unless such holder is entitled to an exemption under an applicable tax treaty.

Gains realised by a non-resident individual holder from the sale or other disposition of ordinary shares outside Thailand in connection with which payment is made neither from nor within Thailand and neither the purchaser nor the seller resides or does business in Thailand, are not subject to Thai tax. Gains realised by a non-resident individual holder on a sale of ordinary shares through the SET are exempt from Thai income tax. Unless exempt under an applicable tax treaty, gains realised by a non-resident individual holder from a sale or other disposition of ordinary shares made otherwise than through the SET and in which payment is made from or within Thailand is subject to Thai income tax at a rate of 15 per cent.

In the foregoing cases, where withholding tax applies, the purchaser of such ordinary shares (or in the case of a sale through the SET, the broker executing such sale on behalf of the purchaser) is required under Thai law to withhold the applicable amount of Thai withholding tax from the sales price and make payment thereof to the relevant Thai tax authority.

Personal Income Tax

Non-resident individual holders are required under certain circumstances (e.g. where those non-resident individual holders stay in Thailand longer than 180 days in a calendar year) to file a Thai personal income tax return and may be subject to Thai personal income tax at marginal rates between 5 per cent. and 35 per cent. on income earned in Thailand, including any cash dividends and other distributions paid by CP ALL and any gains on sale or other dispositions of the ordinary shares realised during any calendar year. Unless the Thai government issues a Royal Decree for tax reduction the maximum tax rate will be 37 per cent. after the 2014 fiscal year. Tax withheld by CP ALL in respect of such dividends and other distributions, and by purchasers in respect of any such gains, may be credited against any Thai personal income tax payable at year end by such non-resident individual holders, who may be entitled to a refund with respect to such taxes withheld.

Tax Treaties

Each non-resident holder should inquire for himself or herself whether he or she is entitled to the benefit of a tax treaty between Thailand and his or her resident country. Where an applicable tax treaty so provides, any otherwise taxable gain on the sale or other disposition of ordinary shares may be exempt from or subject to reduced Thai withholding tax. Thailand currently has tax treaties for the avoidance of double taxation within the following countries: Armenia, Australia, Austria, Bahrain, Bangladesh, Belgium, Republic of Bulgaria, Canada, Chile, China, Republic of Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Japan, Republic of Korea, Kuwait, Laos, Luxembourg, Malaysia, Republic of Mauritius, Myanmar, Nepal, The Netherlands, New

Zealand, Norway, Oman, Pakistan, the Philippines, Poland, Romania, Russia, Seychelles, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Chinese Taipei, Republic of Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan and Vietnam.

Stamp Duty

Generally, a stamp duty of THB1 per every THB1,000 (or a fraction thereof) of the greater of the paid-up value of shares and the selling price of the shares is payable within 15 days from the date of execution of a share transfer instrument, or within 30 days from the date the share transfer instrument is brought into Thailand if executed outside Thailand. No stamp duty is payable on a transfer of listed securities where TSD, as a person appointed by the SET, is acting as a registrar of such securities.

Thai Taxation Considerations for Non-Thai Investors

Please refer to Annex A to this Offering Circular for a summary of Thai taxation for non-resident investors as extracted from the prospectus for the issuance of NVDRs available at www.set.or.th/nvdr/en/info/prospectus.html.

Taxation in relation to the Irrevocable Undertaking

To the extent the payment of CPF's indemnity under the Irrevocable Undertaking to the Trustee (for itself and on behalf of the Bondholders) is deemed to constitute a payment of interest and/or any benefits under the Exchangeable Bonds (other than the principal amount of the Exchangeable Bonds), the payment may be subject to a withholding tax of 15 per cent., unless the Trustee or other relevant recipient is entitled to an exemption under an applicable tax treaty. However, where a tax treaty between Thailand and the country of the Trustee or other relevant recipient is available, such payment may be exempt from or subject to reduced Thai withholding tax.

Certain European Union Tax Considerations

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "EU Savings Directive"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). However, during that transitional period, withholding will not apply under the EU Savings Directive to a payment if the beneficial owner of that payment authorises exchange of information instead. A number of non-EU countries and territories have adopted similar measures.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The Proposed Financial Transactions Tax (the “FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. Under the current proposal, primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Merrill Lynch Far East Limited (the “Subscriber”) has, pursuant to a Subscription Agreement dated 10 January 2014, agreed with the Issuer and the Sponsor, subject to the satisfaction of certain conditions, to subscribe for the Bonds. Phatra Securities Public Company Limited is a party to the Subscription Agreement in its role as a Joint Bookrunner but will not subscribe for any Bonds or partake in any offering in respect of the Bonds that would not comply with applicable laws and regulations.

The Subscription Agreement provides that the Issuer and the Sponsor will indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent and entitles the Joint Bookrunners or the Subscriber alone, as applicable to terminate it in certain circumstances prior to payment being made to the Issuer.

MLI has been engaged as custodian for the CP ALL Shares pursuant to the Custody Deed dated 29 November 2013, agreed among the Issuer and MLI. MLI shall receive customary fees in connection with its role under the Custody Deed.

The Issuer has entered into a Securities Lending Agreement with Merrill Lynch Far East Limited (the “Borrower”), under which the Issuer will loan to the Borrower up to the lower of (i) 110,000,000 CP ALL NVDRs and (ii) the number of CP ALL NVDRs required to be delivered if all outstanding Bonds were exchanged. The purpose of the Securities Lending Agreement is to facilitate the hedging of transactions by investors in the Bonds. The Securities Lending Agreement may only be terminated by the Borrower giving not less than 7 business days’ notice in writing or upon the expiry date of the Securities Lending Agreement, which is 30 business days after 15 January 2019. Merrill Lynch Far East International shall pay customary fees in connection with its role under the Securities Lending Agreement.

In connection with the offering, the Joint Bookrunners (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Bonds and/or the Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. As a result of such transactions, the Joint Bookrunners may hold long or short positions in such Bonds or derivatives or in the Shares. These transactions may comprise a substantial portion of the offering and no disclosure will be made of such positions. The Joint Bookrunners (or their respective affiliates) may have purchased the Bonds and been allocated the Bonds for asset management and/or proprietary purposes and not with a view to distribution.

In connection with the issue of the Bonds, Merrill Lynch Far East Limited as the stabilising manager (the “Stabilising Manager”) (or persons acting on its behalf) may, subject to all applicable laws and directives, overallocate and effect transactions with a view to supporting the market price or the Exchange Property of the at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must be brought to an end after a limited period.

The Joint Bookrunners and their respective affiliates have performed, and may in the future perform, investment banking and advisory services for the Sponsor from time to time, for which they have received, or will receive, customary fees and expenses. The Joint Bookrunners may, from time to time, engage in transactions with and perform services for the Issuer, the Sponsor or CP ALL in the ordinary course of their business.

The Bonds are a new issue of securities with no established trading market. Application has been made to the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. No assurance, however, can be given as to the liquidity of any trading market for the Bonds.

No action has been or will be taken in any jurisdiction by the Issuer, the Sponsor or the Joint Bookrunners that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular in any country or jurisdiction where action for that purpose is required. The Joint Bookrunners will comply, to the best of their knowledge and belief and in all material respects, with all applicable securities laws and regulations in each jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession or distribute this Offering Circular.

No one has been or will be authorised to make any representation or use any information in connection with the offer, sale or distribution of the Bonds other than as contained in this Offering Circular.

United States

The Bonds and the CP ALL Shares to be delivered upon exchange of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person. The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds or Shares to be delivered upon exchange of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Joint Bookrunners has severally represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Sponsor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

Each of the Joint Bookrunners severally has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Thailand

Each of the Joint Bookrunners severally, represents, warrants and agrees that it has not offered or sold and will not offer or sell in Thailand, whether directly or indirectly, any Bonds, not made and will not make, whether directly or indirectly, any advertisement, invitation or document relating to the Bonds in Thailand, and not circulated or distributed, nor will it circulate or distribute, the Offering Circular in relation to the Bonds or any other document or material in connection with the offering of the Bonds, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to any persons in Thailand.

Singapore

Each of the Joint Bookrunners has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Bookrunners has severally represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;

- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offer of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each Joint Bookrunner has severally represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

British Virgin Islands

Each of the Joint Bookrunners has severally represented and agreed that it has not made and will not make any invitation directly or indirectly to the public in the British Virgin Islands to subscribe for any of the Bonds.

Switzerland

Each of the Joint Bookrunners, severally and not jointly, agree that this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Bonds is XS1015789685. The Common Code for the Bonds is 101578968.
2. **Authorisations:** The Issuer and the Sponsor have obtained all necessary consents, approvals and authorisations in the British Virgin Islands and Thailand in connection with the issue and performance of the Bonds and the Irrevocable Undertaking. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 9 January 2014. The Irrevocable Undertaking was authorised by a resolution of the Board of Directors of the Sponsor passed on 9 January 2014.
3. **No Material Adverse Change:** There has been no material adverse change in the financial or trading position or prospects of the Sponsor or the CPF Group since 30 September 2013 and no material adverse change in the financial or trading position or prospects of the Issuer since its incorporation on 23 September 2013.
4. **Litigation:** Neither the Issuer nor the Sponsor is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Bonds nor so far as the Issuer or the Sponsor is aware is any such litigation or arbitration pending or threatened.
5. **Financial Statements:** The consolidated and separate financial statements of the Sponsor for the year ended 31 December 2012 which are included elsewhere in this Offering Circular have been audited by KPMG Phoomchai Audit Ltd., independent auditors, as stated in their report appearing herein, which includes an explanatory paragraph that states that with effect from 1 January 2012 CPF adopted a new accounting policy and that the comparative consolidated and separate financial statements for the year ended 31 December 2011, which appear elsewhere in this Offering Circular, have been restated accordingly. With respect to the unaudited interim financial information for the three-month and nine month periods ended 30 September 2013, included elsewhere in this Offering Circular, the independent public accountants have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The consolidated and separate financial statements of the Sponsor for the years ended prior to 31 December 2012 are available publicly on the website of the Sponsor at www.cpfworldwide.com/cpd/en/page/ir/financial_information.aspx. The consolidated and separate financial statements of the Sponsor for the year ended 31 December 2012 which include comparative financial information for the year ended 31 December 2011 (restated) and appear on pages F-2 to F-122 have been prepared and presented in accordance with TFRS and International Accounting Standard (“IAS”) No. 41 Agriculture, which has been applied retrospectively in accordance with the transitional provisions of Thai Accounting Standard No. 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors and the consolidated and separate financial information for the year ended 31 December 2011 has been restated accordingly. As such, the financial information prepared prior to 1 January 2012 which is available publicly is not comparable with the financial information prepared from 1 January 2012 appearing in this Offering Circular.

6. **Listing of Bonds:** Application has been made to the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificate is exchanged for definitive Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption. In addition, in the event that the Global Certificate is exchanged for definitive Certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying agent in Singapore. The Bonds will be traded on the SGX-ST in a board lot size of at least U.S.\$200,000 (or its equivalent in other currencies) for so long as any of the Bonds are listed on the SGX-ST.

7. **Available Documents:** Copies of the latest annual report and consolidated review report of the Issuer and the Sponsor may be obtained from the Issuer's principal office at 283 Sriboonrueng Building 1, Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500 and the Sponsor's principal office at 313 C.P. Tower, Silom Road, Bangrak, Bangkok 10500, Thailand and copies of the Trust Deed, the Agency Agreement, the Irrevocable Undertaking and the Custody Deed will be available for inspection from the Closing Date, at the specified office of the Trustee at 39th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong during normal business hours, so long as any of the Bonds is outstanding.

8. **Issuer's Accounts:** Under the British Virgin Islands law, the Issuer is not required to publish interim or annual accounts. The Issuer has not published, and does not propose to publish, any of its accounts. The Issuer is, however, required to keep proper books of account as are necessary to enable the Issuer's financial position to be determined with reasonable accuracy and to explain its transactions.

9. **Reliance by the Trustee:** The Trustee may rely without liability to the holders of the Bonds (i) on any certificate signed by any authorised signatory of the Issuer and (ii) on, among other things, a report, confirmation or certificate or any advice of any accountants, financial advisers, investment bank, or other expert pursuant to the Terms and Conditions and/or the Trust Deed whether or not addressed to the Trustee and whether or not such accountant's, financial adviser's, investment bank's or other expert's liability in relation thereto is limited by a monetary cap, methodology or otherwise limited or excluded. Any such report, confirmation or certificate or advice relied on by the Trustee (where the Trust Deed and/or the Terms and Conditions so provide) shall be conclusive and binding on the holders of the Bonds.

SUMMARY OF THE SIGNIFICANT DIFFERENCES BETWEEN TFRS AND IFRS

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN TFRS AND IFRS

The following is a general summary of certain principal differences between TFRS and IFRS as applicable to the CPF Group.

The financial statements comprise the consolidated financial statements of the CPF Group and the separate financial statements of CPF.

For the purposes of this Offering Circular, a summary of certain significant differences between TFRS and IFRS which are relevant to the CPF Group's financial statements is provided below. The differences identified below are limited to those significant differences that are appropriate to the CPF Group's financial statements for the years ended 31 December 2011 and 2012 and the nine months ended September 2012 and 2013. However, they should not be construed as being exhaustive. The International Accounting Standard Board ("IASB") and the Federation of Accounting Professions ("FAP") in Thailand have issued new pronouncements that may impact subsequent periods and have significant on-going projects that could affect the differences between TFRS and IFRS described below and the impact of these differences relative to the CPF Group's financial statements in the future. Accordingly, no attempt has been made to identify future differences between TFRS and IFRS as a result of prescribed changes in accounting standards or to identify all future differences that may affect the CPF Group's financial statements as a result of transactions or events that may occur in the future.

TFRS and accounting interpretations are issued by the FAP and endorsed by the Supervisory Board on Audit Profession of the Business Development Department, the Ministry of Commerce. These standards and interpretations are supplemented by the Stock Exchange of Thailand's requirements and the Thai Securities and Exchange commission's requirements and announcements of the FAP. If TFRSs does not address a particular accounting issue, IFRS and U.S. GAAP may be used as guidance.

TFRS were renumbered with effect from 26 June 2009 following the endorsement in the Government Gazette and the announcement by the FAP in order to conform to the numbers used in the IFRS. Unless otherwise stated, references to TFRSs below are based on the renumbered TFRSs. TFRS was subsequently updated and become effective from 1 January 2011.

In making an investment decision, investors must rely on their own examination of the CPF Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between TFRS and IFRS and how these differences might affect the financial information in this Offering Circular.

Employee benefits

TAS 19 *Employee Benefits* is based on IAS 19 (Revised 2009) and become effective from 1 January 2011. Under TAS 19, the obligations in respect of post-employment benefits and long-service awards are recognised in the financial statements based on calculations using the projected unit credit method. Actuarial gains or losses arising from changes in actuarial assumptions may be recognised using corridor approach or any systematic method that results in faster recognition of actuarial gains or losses.

It is noted that IASB has recently issued IAS 19 (Revised) effective from 1 January 2013. The significant change in the amended standard is the elimination of the corridor method under which the recognition of actuarial gains or losses could be deferred. Instead, all actuarial gains and losses are recognised immediately in other comprehensive income.

The above changes have no significant impact to the CPF Group as the CPF Group accounting policy is consistent with the new requirement.

Agriculture accounting

TAS 41 (draft) Agriculture is based on IAS 41 (Revised 2009). TAS 41 is not effective yet in Thailand. The definite effective date has not been officially announced.

IAS 41 *Agriculture* sets out the accounting for agricultural activity — the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets and agricultural produce to be measured at fair value less costs to sell. Except for the case where the fair value of biological assets cannot be measured reliably; they are measured at its cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

From 1 January 2012, the CPF Group has early adopted International Accounting Standards (“IAS”) No. 41 *Agriculture* which has been applied retrospectively in accordance with the transitional provisions of Thai Accounting Standard No. 8 (revised 2009) *Accounting Policies, Changes in Accounting Estimates and Errors*. Accordingly, the CPF Group has restated the 2011 financial statements, the earliest period presented compared to 2012 financial statements.

Investment in Associates and Joint ventures

TAS 28 (Revised 2009) *Investment in Associates* and TAS 31 (Revised 2009) *Investment in Joint Ventures* are based on IAS 28 (Revised 2009) and IAS 31 (Revised 2009), respectively and become effective 1 January 2011. The standards requires that when an investor loses significant influence over an associate, the investor shall account for all amounts recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the investor reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. In addition, TAS 31 allows two choices of accounting treatments for investment in joint ventures: (i) equity method of accounting and (ii) proportionate consolidation.

It is noted that IASB has recently issued IAS 28 *Investment in Associates and Joint Ventures* and IFRS 11 *Investments Joint Operations* effective from 1 January 2013. IFRS 11 requires entities to assess their rights and obligations under the joint arrangement in order to determine the appropriate classification as either a ‘joint operation’ or ‘joint venture’. The accounting for a joint arrangement will no longer be driven solely by its legal form. Operators will account for their involvement in a joint arrangement in a manner that is consistent with their rights and obligations.

A joint operation is a joint arrangement that gives parties direct rights to the assets and obligations for the liabilities. A joint operator will recognise its interest based on its involvement in the joint operation rather than on the participation interest it has in the joint arrangement. The statement of financial position and income statement will be presented gross in accordance with the rights to those assets and liabilities under the joint operation agreement.

A joint venture, in contrast, gives the parties rights to the net assets of the arrangement. A joint venturer does not have rights to individual assets or obligations for individual liabilities of the joint venture. Joint venturers share in the net assets and the outcome (profit or loss) of the activity undertaken by the joint venture. Joint ventures are accounted for using the equity method in accordance with IAS 28, Investments in associates. The net investment in the venture is a single line in the statement of financial position and the profit appears in a single line in the income statement.

Consolidation

TAS 27 (Revised 2009) *Consolidated and Separate Financial Statements* is based on IAS 27 (Revised 2009) and become effective from 1 January 2011.

The CPF Group consolidated the financial positions and financial results of entities under its controls in the consolidated financial statements, and presented the investment in subsidiaries, associates and joint ventures under cost method in the separate financial statements.

TAS 27 (Revised 2009) changes the term 'minority interest' to 'non-controlling interest'.

TAS 27 (Revised 2009) requires an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests even if this result in the non-controlling interests having a deficit balance.

TAS 27 (Revised 2009) requires changes in a parent's ownership interest in a subsidiary that do not result in the loss of control to be accounted for within equity.

When an entity loses control of a subsidiary, TAS 27 (Revised 2009) requires the entity to derecognise the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in the statement of comprehensive income. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

It is noted that International Accounting Standards Board has recently issued IFRS 10 *Consolidated Financial Statements*, effective from 1 January 2013. Both TAS 27 (Revised 2009) and IFRS 10 uses control as a basis for consolidation. IFRS 10 includes the concept of 'de facto' control as criteria to consolidate entities. An entity can control another entity with less than a 50 per cent. shareholding. Factors to consider determining whether an entity has 'de facto' control include (a) size of the holding relative to the size and dispersion of other vote holders, (b) potential voting rights and (c) other contractual rights.

In addition, when potential voting rights are substantive which is when the holder has the practical ability to exercise voting rights, IFRS 10 requires that the entity include such voting rights in determining whether control exists. Under TAS 27 (Revised 2009), potential voting rights (such as share options) that are currently exercisable at the end of a reporting period are considered when assessing whether control exists.

Segment Reporting

For the years ended 31 December 2011 and 2012

Segment information was prepared in accordance with TAS 14 *Segment Reporting* which is equivalent to IAS 14. Segment information is prepared based on the business's operations and geographical segments, depending on an entity's risks and returns governing the primary segment.

From 1 January 2013 onwards

TFRS 8 *Operating Segments* is based on IFRS 8 and become effective from 1 January 2013. TFRS 8 requires segment information to be reported based on the entity's operating segments. Operating segments are components of an enterprise in which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments.

Financial Instruments: Recognition and Measurement

Currently, there is no specific guidance for the presentation and measurements of derivatives under TFRSs. The CPF Group has adopted policy to recognise forward exchange contracts using amortisation method and to recognise the interest rate swap contract using the accrual method. The accounting applications of these two accounting policies are discussed in respective sections below. In addition, the CPF Group has not recognised other derivatives on the statement of financial position at fair value and only disclosed outstanding derivatives in the notes to financial statements.

While there is no one single TAS covering accounting for all types of financial instruments similar to IFRS, there are a number of TAS standards which provide guidance on accounting for financial instruments such as TAS 105 Accounting for Investment in Debt and Equity Securities ("TAS 105") and TAS 101 Doubtful Accounts and Bad Debts ("TAS 101").

Under IFRS, IAS 39 *Financial Instruments: Recognition and Measurement* has extensive guidance on the recognition and measurement of financial instruments, including the categorisation of financial assets and liabilities, accounting for derivatives and hedging activities and impairment. The IASB has also issued IFRS 9 Financial Instruments ("IFRS 9") which will eventually supersede IAS 39. IFRS 9 is effective for the annual period beginning on or after 1 January 2015.

Significant differences between TFRS and IAS 39 as applicable to the CPF Group are as follows:

Categorisation of Financial Assets and Liabilities

Categorisation of financial assets and liabilities under TFRS follows the general guidance in the Framework and in each respective standard. In contrast, IAS 39 requires financial assets to be categorised into (1) financial asset at fair value through profit or loss, (2) held to maturity investments, (3) loan and receivables and (4) available for sale financial assets. The categorisation depends on the purpose for which the financial assets were acquired. Financial liabilities are either categorised into financial liability at fair value through profit or loss or financial liability carried at amortised cost. All financial assets and liabilities are initially recognised at fair value net of transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent accounting depends on their respective categories.

Derivative Financial Instruments

Under IFRS, derivatives financial instruments are required to be marked to market at fair value and recognised on statement of financial position. Changes to fair value are recognised through the statement of comprehensive income. If hedge accounting is elected and appropriate based upon the specific criteria of IAS 39, the impact of recording the derivative instrument is offset to the extent the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative's fair value are recorded in the statement of

comprehensive income and the hedged item is marked to market for changes in fair value associated with the hedged risk. If designated as a cash flow hedge, the effective portion of the hedge is recorded in equity as a component of other comprehensive income, and released from other comprehensive income into earnings as the hedged item affects earnings. All ineffectiveness in the hedging relationship, as well as derivative instruments not qualifying for hedge accounting, is reflected in the statement of income immediately.

The CPF Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to Thai Baht at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains or losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

The CPF Group has entered into the number of interest rate swap contracts where interest differentials under swap arrangements are accrued in proportion to the interval of time and relevant underlying notional principal and recorded as adjustments to the interest expense relating to the hedged loans.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a debtor fails to make payment when due. Under current TFRS, there is no specific requirement for the accounting treatment for financial guarantee contract. Under current TFRS, the guarantor normally treats the financial guarantee contract as contingent liability where the disclosure of the contingent liability is made and the liability is recognised when the trigger event occurs.

IAS 39 specifies the accounting in respect of the issuer of that financial guarantee:

- a contract which meets the definition of a financial guarantee contract may be accounted for under IAS 39. Under IAS 39, such contracts are generally recognised initially at fair value, and subsequently at the higher of the amount determined under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation under IAS 18 Revenue; and
- if the entity has asserted that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts then the issuer may elect to apply the insurance standard IFRS 4 instead. This election can be made on a contract by contract basis.

If separate financial statements (such as parent entity individual financial statements) are prepared under IFRS, then depending on their terms, guarantees provided by one entity over borrowings of another group entity may meet the definition of a financial guarantee contract. There is no exemption for guarantees in respect of related party borrowings. In such cases, it is imperative to assess the fair value of the guarantee at the inception date.

Financial Instruments: Presentation and Disclosure

TFRS requires to disclose significant transactions related to financial instruments but not extensive as those required by IFRS 7 *Financial Instruments: Disclosures*. IFRS 7 requires that the entity disclose qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity

risk and market risk. The qualitative disclosures describe management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. Together, these disclosures provide an overview of the entity's use of financial instruments and the exposures to risks they create.

Foreign Currency Transactions

For the years ended 31 December 2011 and 2012

Prior to 1 January 2013, TAS 21 *The Effects of Changes in Foreign Exchange Rates* was based on previous IAS 21 and had no concept of functional currency.

From January 1, 2013 onwards

TAS 21 (Revised 2009) is based on IAS 21 (Revised 2009) becomes effective from 1 January 2013 onwards. TAS 21 (Revised 2009) requires an entity to determine its functional currency and measure its results and financial position in that currency. Functional currency is the currency of the primary economic environment in which the entity operates to generate and expends cash.

ANNEX A

THAI TAXATION CONSIDERATIONS FOR NON-RESIDENT INVESTORS

This summary is only intended to address the Thai taxation considerations of non-resident Investors intending to purchase the NVDRs. Also, this summary is only a guideline and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase NVDRs. Investors considering the purchase, ownership or disposition of NVDRs should consult their own tax advisors concerning the taxation consequences in Thailand in light of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction and any tax treaty between Thailand and their country of residence. The following summary is based upon the applicable tax laws of Thailand and their interpretations in effect on the date of this Prospectus.

General

In general, the registered owner of securities will be entitled to receive dividends, capital gains or benefits arising from those securities under the laws of Thailand. In the case of the Shares, the Issuer will be regarded as the owner of the Shares and will be entitled to receive dividends and capital gains arising from the Shares. The Issuer is exempt from income tax on dividends derived from holding the Shares and from capital gains derived from the sale of the Shares pursuant to Royal Decree No. 337 B.E. 2544 (A.D. 2001) (the "Royal Decree").

Interest or other similar income derived from the NVDRs will be treated as income under Section 40(4)(a) of the Thai Revenue Code B.E. 2481 (A.D. 1938). Capital gains on the transfer of the NVDRs will also be treated as income under Section 40(4)(g).

Non-Resident Individual Investors

In considering whether an Investor is a resident in Thailand, Thai law does not look at the nationality of the Investor but will determine whether the Investor has been in Thailand for an aggregate of more than 180 days during the tax (calendar) year. If so, the Investor will be deemed to be a resident in Thailand for tax purposes.

Under Thai tax law, payments that the Issuer has made to the holders of the NVDRs as a result of the Issuer's receipt of dividends from the underlying Shares is considered a payment equivalent to the payment of dividends (the "Substituted Payment for Dividends").

Substituted Payment for Dividends. Substituted Payment for Dividends received by the Investor is subject to 15% withholding tax, which will be withheld by the Issuer. In response to the intention to apply the same treatments as if the Investor holds the Shares in its own name, the withholding tax rate will be reduced from 15% to 10% in accordance with the Royal Decree.

Capital Gains. A capital gain derived from the sale of the NVDRs is exempt from Thai tax.

Non-Resident Corporate Investors

A non-resident company and registered partnership is a company or registered partnership established pursuant to a foreign law and not doing or deemed to be doing business in Thailand or have a permanent establishment in Thailand.

Substituted Payment for Dividends. Same as those described for Non-Resident Individual Investors.

Capital Gains. A capital gain from the sale of the NVDRs by a non-resident company or registered partnership is subject to withholding tax of 15%, which may be exempted under the terms and conditions of the relevant double taxation treaty between Thailand and the country of the Investor's residence.

Stamp Duty

There is no stamp duty payable on the sale of the NVDRs.

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Independent Auditor's Report

To the Shareholders of Charoen Pokphand Foods Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Charoen Pokphand Foods Public Company Limited and its subsidiaries, and of Charoen Pokphand Foods Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Charoen Pokphand Foods Public Company Limited and its subsidiaries, and of Charoen Pokphand Foods Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2012 of a new accounting policy. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2011 which were audited by another auditor who expressed an unmodified opinion on those statements on 22 February 2012, after making the adjustments described in note 3. As part of my audit I have audited the adjustments described in note 3 that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2013

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated			Separate		
		financial statements			financial statements		
		31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)	31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)
Assets							
<i>Current assets</i>							
Cash and cash equivalents	8	12,258,401	24,341,345	7,761,006	1,290,419	20,477,018	3,785,847
Accounts receivable - trade and others	7, 9	23,279,151	15,692,064	15,384,929	5,294,732	7,245,977	7,766,188
Short-term loans to subsidiaries	7	-	-	-	22,251,013	11,220,940	19,518,990
Short-term loans to jointly-controlled entities	7	199,627	-	-	-	-	-
Current portion of long-term loans to subsidiaries	7	-	-	-	1,260,000	1,323,073	1,474,770
Inventories	3, 7, 10	48,333,758	21,232,517	21,903,048	5,273,849	5,643,875	5,775,924
Current biological assets	3, 11	19,299,829	12,514,432	10,215,565	1,253,562	2,515,817	2,086,381
Advance payments for purchase of goods		1,005,768	397,125	458,064	-	-	-
Prepaid expenses		1,113,983	521,908	430,281	217,683	168,256	154,118
Accrued dividend income	7	-	-	-	1,050,977	-	1,708,442
Other current assets	7	3,710,924	1,801,662	1,074,150	274,028	245,843	117,106
Total current assets		109,201,441	76,501,053	57,227,043	38,166,263	48,840,799	42,387,766

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Statements of financial position**

(Unit: Thousand Baht)

Assets (Continued)	Note	Consolidated			Separate		
		financial statements			financial statements		
		31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)	31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)
Non-current assets							
Available-for-sale investments	12	2,454,574	1,372,948	1,373,940	-	-	-
Investments in subsidiaries	13	-	-	-	85,420,854	29,283,703	21,080,396
Investments in associates	3, 5, 14	30,763,935	23,404,945	14,833,117	827,889	881,889	289,941
Investments in jointly-controlled entities	15	3,281,578	-	-	-	-	-
Investments in related companies	16	1,504,152	1,330,012	844,384	678,170	426,907	143,631
Investments in other companies		26,807	-	-	-	-	-
Long-term loans to subsidiaries	7	-	-	-	12,755,231	4,065,035	5,904,308
Investment properties	17	1,484,381	823,234	893,490	203,715	203,607	88,329
Property, plant and equipment	7, 18	90,812,322	52,024,921	47,141,680	16,426,376	19,075,345	17,955,630
Non-current biological assets	3, 11	5,199,736	2,119,660	1,850,711	-	162,889	126,564
Goodwill	19	54,791,525	418,451	441,916	-	-	-
Other intangible assets	20	4,300,524	425,384	430,514	49,026	55,443	44,839
Restricted deposits at financial institutions	21	220,082	102,483	159,818	-	-	-
Deferred tax assets	22	787,327	1,406,072	1,644,475	-	130,272	276,711
Leasehold rights prepayment	23	4,237,408	51,629	49,534	-	-	-
Other non-current assets		1,478,470	525,403	483,995	151,359	97,776	69,791
Total non-current assets		201,342,821	84,005,142	70,147,574	116,512,620	54,382,866	45,980,140
Total assets		310,544,262	160,506,195	127,374,617	154,678,883	103,223,665	88,367,906

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Statements of financial position**

(Unit: Thousand Baht)

	Note	Consolidated			Separate		
		financial statements			financial statements		
		31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)	31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)
Liabilities and equity							
<i>Current liabilities</i>							
Overdrafts and short-term borrowings							
from financial institutions	24	47,660,108	22,896,523	10,050,702	4,555,296	717,309	5,836
Bills of exchange	24	4,951,180	-	-	4,951,180	-	-
Accounts payable - trade and others	7, 25	20,619,779	11,732,925	9,706,929	2,089,104	3,910,419	3,137,309
Short-term borrowings from subsidiaries	7, 24	-	-	-	400,000	50,000	49,000
Short-term borrowings from jointly-controlled entities and related companies	7, 24	219,793	-	-	-	-	-
Current portion of long-term debts	24	9,265,438	5,687,148	8,088,134	6,400,000	4,400,000	7,600,000
Current portion of long-term borrowings from related company	7, 24	40,369	-	-	-	-	-
Accrued expenses		5,129,117	1,944,151	1,873,053	285,342	549,494	559,268
Income tax payable		1,328,271	1,552,949	1,203,304	-	-	-
Other current liabilities		6,004,136	2,257,413	1,904,477	1,379,761	848,616	700,735
Total current liabilities		95,218,191	46,071,109	32,826,599	20,060,683	10,475,838	12,052,148
<i>Non-current liabilities</i>							
Long-term debts	24	84,044,356	40,865,559	28,510,544	57,115,505	39,300,000	27,700,000
Long-term borrowings from related company	7, 24	21,408	-	-	-	-	-
Provisions and others		391,999	65,205	64,480	-	-	-
Deferred tax liabilities	3, 22	5,071,707	1,694,748	2,634,031	83,361	-	-
Employee benefit obligations	26	5,015,801	4,732,983	4,377,035	1,367,067	1,476,510	1,342,892
Total non-current liabilities		94,545,271	47,358,495	35,586,090	58,565,933	40,776,510	29,042,892
Total liabilities		189,763,462	93,429,604	68,412,689	78,626,616	51,252,348	41,095,040

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Statements of financial position**

(Unit: Thousand Baht)

	Note	Consolidated			Separate		
		financial statements			financial statements		
		31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)	31 December 2012	31 December 2011 (Restated)	1 January 2011 (Restated)
Liabilities and equity (Continued)							
Equity							
Share capital	27						
Authorised share capital		7,742,942	8,206,664	8,206,664	7,742,942	8,206,664	
Issued and paid-up share capital		7,742,942	7,519,938	7,519,938	7,742,942	7,519,938	
Treasury shares	28	(1,135,146)	(2,855,124)	(2,855,124)	-	(1,628,825)	
Additional paid-in capital	29						
Premium on ordinary shares		36,462,883	16,436,492	16,436,492	35,572,855	16,478,865	
Other premium	5	3,470,021	-	-	3,470,021	-	
Surplus on common control transactions	6	-	-	-	428,671	-	
Retained earnings							
Appropriated	29						
Legal reserve		820,666	820,666	820,666	820,666	820,666	
Treasury shares reserve	28	-	1,628,825	1,628,825	-	1,628,825	
Unappropriated		52,770,259	41,188,339	32,733,154	26,736,166	21,859,923	
Other components of equity	3	4,390,186	(584,248)	(283,351)	1,280,946	678,632	
Total equity attributable to equity holders of the Company		104,521,811	64,154,888	56,000,600	76,052,267	51,971,317	
Non-controlling interests		16,258,989	2,921,703	2,961,328	-	-	
Total equity		120,780,800	67,076,591	58,961,928	76,052,267	47,272,866	
Total liabilities and equity		310,544,262	160,506,195	127,374,617	154,678,883	88,367,906	

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Statements of income

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
			(Restated)		(Restated)
Income	7				
Revenue from sale of goods		357,175,192	206,099,453	50,791,943	65,994,296
Interest income		285,700	249,087	1,835,701	1,803,031
Dividend income		37,710	35,788	7,974,579	7,148,620
Net foreign exchange gain		-	195,565	-	94,739
Gains on changes in fair value of investment in associates	5	8,673,448	-	-	-
Gains on sale of investments		6,008,871	1,358,290	162,202	-
Gains on liquidation of subsidiaries		-	-	1,116	162,096
Other income		2,671,950	1,075,216	257,218	194,455
Total income		374,852,871	209,013,399	61,022,759	75,397,237
Expenses	7				
Cost of sale of goods	10, 34	315,837,823	172,487,738	44,681,987	55,360,140
Losses (gains) on changes in fair value of biological assets	3, 11	(229,311)	(86,961)	15,707	(3,729)
Selling expenses	31, 34	15,175,578	7,371,528	982,271	947,180
Administrative expenses	32, 34	18,084,426	11,537,442	4,236,179	4,138,812
Loss on sale of investments		-	-	-	204,081
Net foreign exchange losses		51,620	-	131,260	-
Finance costs	35	6,377,490	2,431,830	2,928,613	1,770,121
Total expenses		355,297,626	193,741,577	52,976,017	62,416,605
Share of profits of associates and jointly-controlled entities	14, 15	4,138,445	3,862,900	-	-
Profit before income tax expense (income)		23,693,690	19,134,722	8,046,742	12,980,632
Income tax expense (income)	3, 36	2,674,667	2,898,045	(4,610)	261,060
Profit for the year		21,019,023	16,236,677	8,051,352	12,719,572
Profit for the year attributable to:					
Equity holders of the Company		18,789,930	16,116,942	8,051,352	12,719,572
Non-controlling interests		2,229,093	119,735	-	-
Profit for the year		21,019,023	16,236,677	8,051,352	12,719,572
Basic earnings per share (in Baht)	38	2.59	2.42	1.06	1.80

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2012	2011	2012	2011
		(Restated)		(Restated)
Profit for the year	21,019,023	16,236,677	8,051,352	12,719,572
Other comprehensive income				
Revaluation differences on assets	6,947,396	(6,324)	1,297,355	470
Equity in associates	(68,865)	(19,915)	-	-
Fair value changes on investments	1,085,216	(235,335)	-	-
Currency translation differences	(1,263,226)	(416,120)	-	-
Defined benefit plan actuarial gains (losses)	166,421	(27,157)	-	-
Other comprehensive income before income tax expense (income)	6,866,942	(704,851)	1,297,355	470
Income tax expense (income) of other comprehensive income	36 1,527,750	(461,569)	259,471	(84,688)
Other comprehensive income for the year, net of income tax expense (income)	5,339,192	(243,282)	1,037,884	85,158
Total comprehensive income for the year	26,358,215	15,993,395	9,089,236	12,804,730
Total comprehensive income attributable to:				
Equity holders of the Company	23,918,970	15,808,823	9,089,236	12,804,730
Non-controlling interests	2,439,245	184,572	-	-
Total comprehensive income for the year	26,358,215	15,993,395	9,089,236	12,804,730

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and Its Subsidiaries**
Statements of changes in equity

(Unit: Thousand Baht)

	Consolidated financial statements														
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Equity in associates	Other components of equity			Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Currency translation differences										Fair value changes on investments	Total other components of equity				
Balance at 1 January 2011	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	32,366,752	2,172,716	304,724	(112,931)	(2,606,542)	(242,033)	55,675,516	2,961,328	58,636,844
- as previously reported															
Impact of changes in accounting policies							366,402				(41,318)	(41,318)	325,084		325,084
Balance at 1 January 2011 - restated	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	32,733,154	2,172,716	304,724	(112,931)	(2,647,860)	(283,351)	56,000,600	2,961,328	58,961,928
Transactions with equity holders, recorded directly in equity															
<i>Distributions to owners</i>															
Dividends paid - net of dividends paid to subsidiaries (for shares held in treasury)							(7,654,535)						(7,654,535)	(206,021)	(7,860,556)
<i>Total distributions to owners</i>							(7,654,535)						(7,654,535)	(206,021)	(7,860,556)
<i>Changes in ownership interests in subsidiaries</i>															
Acquisition of non-controlling interest without a change in control														(18,176)	(18,176)
<i>Total changes in ownership interests in subsidiaries</i>														(18,176)	(18,176)
Total transactions with equity holders, recorded directly in equity															
<i>Comprehensive income for the year</i>															
Profit							16,116,942						16,116,942	119,735	16,236,677
Other comprehensive income															
- Defined benefit plan actuarial losses							(7,305)						(7,305)		(7,305)
- Other								241,583	(19,915)	(833)	(521,649)	(300,814)	(300,814)	64,837	(235,977)
<i>Total comprehensive income for the year</i>							16,109,637	241,583	(19,915)	(833)	(521,649)	(300,814)	15,806,823	184,572	15,993,395
Transfer to retained earnings							83	(83)				(83)			
Balance at 31 December 2011	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	41,188,339	2,414,216	284,809	(113,764)	(3,169,509)	(584,248)	64,154,888	2,921,703	67,076,591

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity

(Unit: Thousand Baht)

	Consolidated financial statements														
	Other components of equity										Total equity attributable to equity holders of the Company				
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Equity in associates	Fair value changes on investments		Currency translation differences	Total other components of equity	Non-controlling interests	Total equity
<i>Note</i>															
Balance at 1 January 2012	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	40,542,001	2,414,216	284,809	(113,764)	(3,081,194)	(495,933)	63,596,865	2,921,703	66,518,568
- as previously reported															
Impact of changes in accounting policy	-	-	-	-	-	-	646,338	-	-	-	(88,315)	(88,315)	558,023	-	558,023
Balance at 1 January 2012 - restated	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	41,188,339	2,414,216	284,809	(113,764)	(3,169,509)	(584,248)	64,154,888	2,921,703	67,076,591
Transactions with equity holders, recorded directly in equity															
<i>Contributions by and distributions to owners</i>															
Issue of new ordinary shares	694,004	-	20,126,119	3,470,021	-	-	-	-	-	-	-	-	24,290,144	-	24,290,144
Treasury shares disposed	(471,000)	1,628,825	(1,032,129)	-	-	(1,628,825)	1,503,129	-	-	-	-	-	-	-	-
Sales on treasury shares	28	91,153	932,401	-	-	-	-	-	-	-	-	-	1,023,554	-	1,023,554
Dividends paid - net of dividends paid to subsidiaries (for shares held in treasury)	-	-	-	-	-	-	(8,865,745)	-	-	-	-	-	(8,865,745)	(1,551,177)	(10,416,922)
<i>Total contributions by and distributions to owners</i>	223,004	1,719,978	20,026,391	3,470,021	-	(1,628,825)	(7,362,616)	-	-	-	-	-	16,447,953	(1,551,177)	14,896,776
<i>Changes in ownership interest in subsidiaries</i>															
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	12,449,218	12,449,218
<i>Total changes in ownership interest in subsidiaries</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	12,449,218	12,449,218
Total transactions with equity holders, recorded directly in equity	223,004	1,719,978	20,026,391	3,470,021	-	(1,628,825)	(7,362,616)	-	-	-	-	-	16,447,953	10,898,041	27,345,994
Comprehensive income for the year															
Profit	-	-	-	-	-	-	18,789,930	-	-	-	-	-	18,789,930	2,229,093	21,019,023
Other comprehensive income															
- Defined benefit plan actuarial gains	-	-	-	-	-	-	135,921	-	-	-	-	-	135,921	-	135,921
- Other	-	-	-	-	-	-	-	5,459,897	(68,865)	890,991	(1,288,904)	4,993,119	4,993,119	210,152	5,203,271
<i>Total comprehensive income for the year</i>	-	-	-	-	-	-	18,925,851	5,459,897	(68,865)	890,991	(1,288,904)	4,993,119	23,918,970	2,439,245	26,358,215
Transferred to retained earnings	-	-	-	-	-	-	(18,685)	(18,685)	-	-	-	(18,685)	-	-	-
Balance at 31 December 2012	7,742,942	(1,135,146)	36,462,883	3,470,021	820,666	-	52,770,259	7,855,438	215,944	777,227	(4,458,413)	4,390,186	104,521,811	16,258,989	120,780,800

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity

(Unit: Thousand Baht)

	Separate financial statements											
	Note	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Total other components of equity	Total equity
Balance at 1 January 2011		7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	21,851,539	593,474	593,474	47,264,482
- as previously reported												
Impact of changes in accounting policy	3	-	-	-	-	-	-	-	8,384	-	-	8,384
Balance at 1 January 2011		7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	21,859,923	593,474	593,474	47,272,866
- restated												
Transactions with equity holders, recorded directly in equity												
<i>Distributions to owners</i>												
Dividends to owners of the Company	39	-	-	-	-	-	-	-	(8,106,279)	-	-	(8,106,279)
Total distributions to owners		-	-	-	-	-	-	-	(8,106,279)	-	-	(8,106,279)
Total transactions with equity holders, recorded directly in equity		-	-	-	-	-	-	-	(8,106,279)	-	-	(8,106,279)
Comprehensive income for the year												
Profit		-	-	-	-	-	-	-	12,719,572	-	-	12,719,572
Other comprehensive income		-	-	-	-	-	-	-	85,158	85,158	85,158	85,158
Total comprehensive income for the year		-	-	-	-	-	-	-	12,719,572	85,158	85,158	12,804,730
Balance at 31 December 2011		7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,473,216	678,632	678,632	51,971,317

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Statements of changes in equity

(Unit: Thousand Baht)

	Separate financial statements										
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Other components of equity		Total equity
									Revaluation differences on assets	Total other components of equity	
Balance at 1 January 2012	7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,461,122	678,632	678,632	51,959,223
- as previously reported	7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,461,122	678,632	678,632	51,959,223
Impact of changes in accounting policy	-	-	-	-	-	-	-	12,094	-	-	12,094
Balance at 1 January 2012	7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,473,216	678,632	678,632	51,971,317
- restated	7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,473,216	678,632	678,632	51,971,317
Transactions with equity holders, recorded directly in equity											
<i>Contributions by and distributions to owners</i>											
Issue of new ordinary shares	694,004	-	20,126,119	3,470,021	-	-	-	-	-	-	24,290,144
Treasury shares disposed	(471,000)	1,628,825	(1,032,129)	-	-	-	(1,628,825)	1,503,129	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	(9,291,531)	-	-	(9,291,531)
Total contributions by and distribution to owners	223,004	1,628,825	19,093,990	3,470,021	-	-	(1,628,825)	(7,788,402)	-	-	14,998,613
Common control transactions	-	-	-	-	428,671	-	-	-	(435,570)	(435,570)	(6,899)
Total transactions with equity holders, recorded directly in equity	223,004	1,628,825	19,093,990	3,470,021	428,671	-	(1,628,825)	(7,788,402)	(435,570)	(435,570)	14,991,714
Comprehensive income for the year	-	-	-	-	-	-	-	8,051,352	-	-	8,051,352
Profit	-	-	-	-	-	-	-	8,051,352	-	-	8,051,352
Other comprehensive income	-	-	-	-	-	-	-	-	1,037,884	1,037,884	1,037,884
Total comprehensive income for the year	-	-	-	-	-	-	-	8,051,352	1,037,884	1,037,884	9,089,236
Balance at 31 December 2012	7,742,942	-	35,572,855	3,470,021	428,671	820,666	-	26,736,166	1,280,946	1,280,946	76,052,267
	7,742,942	-	35,572,855	3,470,021	428,671	820,666	-	26,736,166	1,280,946	1,280,946	76,052,267

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011 (Restated)	2012	2011 (Restated)
<i>Cash flows from operating activities</i>					
Profit for the year		21,019,023	16,236,677	8,051,352	12,719,572
<i>Adjustments for</i>					
Depreciation of investment properties	17	39,460	-	-	-
Depreciation of plant and equipment	18	6,513,638	4,657,998	1,801,662	2,027,817
Amortisation		823,312	81,330	7,822	7,607
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	9	51,148	(40,498)	41,743	(4,639)
Losses (reversal of allowance for losses) on decline in value of inventories adjusted to net realisable value		4,757	20,983	(4,272)	3,790
Interest income		(285,700)	(249,087)	(1,835,701)	(1,803,031)
Dividend income		(37,710)	(35,788)	(7,974,579)	(7,148,620)
Finance costs	35	6,377,490	2,431,830	2,928,613	1,770,121
(Gains) losses on sales of investments		(6,008,871)	(1,358,290)	(162,202)	204,081
Employee benefit obligations	26	566,218	499,887	147,103	148,320
Gain on liquidation of subsidiaries		-	-	(1,116)	(162,096)
Losses on sales of investment properties		5	-	-	-
(Gains) losses on sale of property, plant and equipment		(12,547)	15,808	(10,198)	23,524
Losses on write-off of plant and equipment		66,424	39,214	6,351	13,594
(Reversal of) impairment losses of plant and equipment		(6,422)	6,352	-	-
Reversal of losses of revaluation on land and investment properties		(70,806)	-	(6,690)	-
Gain on sale of assets held for sale		(458,263)	(34,888)	(711)	(12,228)
Gain on sale of intangible assets		-	(2)	-	(1)
Unrealised (gains) losses on exchange rates		(318,855)	37,527	(102,830)	43,138
Unrealised gains on changes in fair value of biological assets		(2,044,742)	(193,290)	-	(15,707)

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2012	2011	2012	2011
		(Restated)		(Restated)
<i>Cash flows from operating activities</i>				
<i>(Continued)</i>				
(Reversal of) impairment losses on investments	(309,481)	-	(55,678)	296,243
Gains on changes in fair value of investment in associate	5 (8,673,448)	-	-	-
Share of profits of associates and jointly-controlled entities	14, 15 (4,138,445)	(3,862,900)	-	-
Income tax expense (income)	36 2,674,667	2,898,045	(4,610)	261,060
	<u>15,770,852</u>	<u>21,150,908</u>	<u>2,826,059</u>	<u>8,372,545</u>
<i>Changes in operating assets and liabilities</i>				
Accounts receivable - trade and others	(4,274,952)	(184,109)	634,850	572,727
Inventories	(10,184,514)	249,356	(2,259,651)	132,049
Current and non-current biological assets	(766,325)	(2,374,526)	41,802	(453,844)
Other current assets	1,988,660	(695,989)	(106,707)	(147,848)
Other non-current assets	(701,475)	81,187	(1,648)	(9,757)
Accounts payable - trade and others	3,126,252	2,080,129	(1,205,744)	772,435
Other current liabilities	251,797	298,183	(78,732)	47,731
Employee benefits paid	(210,074)	(140,705)	2,258	(14,702)
Income tax paid	(4,471,180)	(2,906,177)	(93,436)	(48,161)
Net cash provided by (used in) operating activities	<u>529,041</u>	<u>17,558,257</u>	<u>(240,949)</u>	<u>9,223,175</u>
<i>Cash flows from investing activities</i>				
Interest received	178,646	229,390	1,854,706	1,786,989
Dividends received	2,481,416	1,409,758	6,923,602	8,857,062
(Increase) decrease in short-term loans to subsidiaries	-	-	(11,210,585)	8,314,853
Decrease in short-term loans to related company	4,229,148	-	-	-

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2012	2011	2012	2011
		(Restated)		(Restated)
<i>Cash flows from investing activities</i>				
<i>(Continued)</i>				
Net cash inflow on partial business				
transfer under common control	6	-	10,823,489	-
Purchase of investments		(8,929,070)	(31,679,870)	(11,955,679)
Sale of investments		7,837,845	304,328	1,960,601
Net consideration paid for acquisition				
of subsidiaries		(45,399,100)	-	-
Sale of non-current assets held for sale		300,095	718	12,228
(Increase) decrease in long-term				
loans to subsidiaries		-	(8,873,288)	1,960,192
Sale of investment properties		83	-	-
Purchase of investment properties		(424)	-	(67,632)
Purchase of property, plant and				
equipment		(19,946,429)	(4,323,273)	(3,327,004)
Sale of property, plant and equipment		127,933	47,893	35,496
Purchase of other intangible assets		(139,151)	(15,896)	(14,355)
Sale of other intangible assets		-	-	7
Purchase of leasehold rights		(234,927)	-	-
Proceeds from liquidation of subsidiary		-	1,116	578,319
Net cash provided by (used in)				
investing activities		(59,493,935)	(36,147,060)	8,141,077
<i>Cash flows from financing activities</i>				
Interest paid		(5,508,948)	(2,278,098)	(1,672,589)
Increase in short-term borrowings				
from financial institutions		13,007,088	3,837,904	711,705
Increase in bills of exchange		4,879,162	4,879,162	-
Increase in short-term borrowings				
from subsidiaries		-	350,000	1,000

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
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Statements of cash flows

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
Cash flows from financing activities				
<i>(Continued)</i>				
Decrease in short-term borrowings				
from related companies	(63,193)	-	-	-
Decrease in long-term borrowings				
from related company	(40,934)	-	-	-
Repayment of liabilities under				
finance leases	(5,069)	(2,743)	-	-
Proceeds from long-term borrowings				
from financial institutions	32,152,614	2,379,710	3,082,000	-
Repayment of long-term borrowings				
from financial institutions	(5,111,261)	(1,377,042)	(1,900,000)	(800,000)
Proceeds from issue of debentures	21,060,000	16,000,000	21,060,000	16,000,000
Repayment of debentures	(4,473,879)	(6,800,000)	(2,500,000)	(6,800,000)
Proceeds from sale of treasury shares	1,302,127	-	-	-
Gain on (payment of) financial				
transaction costs	(334,577)	70,624	(40,621)	(7,926)
Payment of liquidated subsidiary				
to non-controlling interests	(1)	(1)	-	-
Dividend paid of the Company - net of				
dividends paid to subsidiaries (for				
share held in treasury)	(8,862,975)	(7,652,887)	(9,289,020)	(8,104,631)
Dividends paid to non-controlling				
interests	(1,551,048)	(228,138)	-	-
Net cash provided by (used in)				
 financing activities	46,449,106	13,022,395	17,201,327	(672,441)

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
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Statements of cash flows

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Note	2012	2011	2012	2011
		(Restated)		(Restated)
Net increase (decrease) in cash and cash equivalents	(12,515,788)	16,532,037	(19,186,682)	16,691,811
Cash and cash equivalents at beginning of year	23,993,026	7,754,662	20,472,567	3,780,756
Effect of exchange rate changes on balances held in foreign currencies	773,108	(293,673)	-	-
Cash and cash equivalents at end of year	12,250,346	23,993,026	1,285,885	20,472,567

**Supplemental disclosures of cash
flows information:**

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	8	12,258,401	24,341,345	1,290,419	20,477,018
Overdrafts	24	(8,055)	(348,319)	(4,534)	(4,451)
Net		12,250,346	23,993,026	1,285,885	20,472,567

2. Non-cash transactions

The Group had non-cash transactions during the year ended 31 December 2012 as follows:

2.1 The Company's shareholders passed a resolution to approve the Company to buy shares of C.P. Pokphand Company Limited by issuing of the Company's new 694,004,106 ordinary shares, totaling Baht 24,290 million (see note 5 to the financial statements).

2.2 The Board of Directors of the Company approved to invest in ordinary shares of a subsidiary (CPF Investment Limited) amounting to U.S. Dollar 175 million or equivalent approximately Baht 5,345 million by converting balance of loans to the subsidiary amounting to Baht 451 million in order to settle the partial additional paid up capital instead of cash payment.

2.3 The Board of Directors of a local subsidiary passed the resolution to pay interim dividend to the Company totaling Baht 1,051 million (2011: nil). As at 31 December 2012 the Company had accrued dividend income of Baht 1,051 million.

The accompanying notes are an integral part of these financial statements.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The 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 authorised for issue by the executive directors on 22 February, 2013.

1 General information

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

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

The major shareholder of the Company is Charoen Pokphand Group Company Limited which is incorporated in Thailand and directly and indirectly owned 46.20% shareholding of the Company as of the latest closing date of shareholder register book at 27 August 2012.

The principal businesses 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 two main businesses are vertically integrated, sourcing 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 selling their products to both domestic and overseas markets. 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 December 2012 and 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Thailand operations and businesses related to operations in Thailand</i>				
<i>Livestock Business</i>				
<i>Direct subsidiaries</i>				
1) Bangkok Produce Merchandising Public Company Limited ⁽¹⁾	Animal feed raw materials distribution and broiler integration	Thailand	99.44	99.44
2) Chester’s Food Company Limited	Restaurant	Thailand	99.99	.
3) CPF (Thailand) Public Company Limited (a newly established company whose amalgamated companies in 3.1 to 3.10)	Animal feed mill, livestock farming, food processing plant and broiler chicken integration	Thailand	99.98	.

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
3.1) Bangkok Agro-Industrial Products Public Company Limited	Animal feedmill and livestock farming	Thailand	-	99.98
3.2) Bangkok Food Products Co., Ltd.	Animal feedmill, livestock farming food processing plant	Thailand	-	99.99
3.3) Charoen Pokphand Northeastern Public Company Limited	Animal feedmill and livestock farming	Thailand	-	99.61
3.4) Charoen Pokphand Industry Co., Ltd.	Animal feedmill and livestock farming	Thailand	-	99.99
3.5) CPF Food Products Co., Ltd.	Broiler chicken integration	Thailand	-	99.99
3.6) C.P. Agro-Industry Co., Ltd.	Livestock farming	Thailand	-	99.99
3.7) B.P. Food Products Co., Ltd.	Animal feedmill and livestock farming	Thailand	-	99.99
3.8) Rajburi Foods Co., Ltd.	Animal feedmill and livestock farming	Thailand	-	99.99
3.9) International Pet Food Co., Ltd.	Pet food production and distribution	Thailand	-	99.99
3.10) Klang Co., Ltd. ⁽²⁾	Shrimp processing plant	Thailand	-	99.99
4) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
Indirect subsidiaries				
1) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
2) CPF Premium Foods Co., Ltd. ⁽³⁾	Food processing plant	Thailand	99.99	99.99
3) CPF Logistics Co., Ltd. ⁽⁴⁾	Transportation services	Thailand	-	99.99
4) C.P. Food Products Co., Ltd. ⁽⁵⁾	Restaurant	Thailand	-	99.99
5) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	52.00	52.00
6) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
7) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	The People's Republic of China	100.00	100.00
8) CPF Tokyo Co., Ltd.	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
9) CP Foods (UK) Limited (9.1 to 9.70 are subsidiaries of CP Foods (UK) Limited)	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.1) Fusion Abbey Park Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.2) Fusion Alfrick Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.3) Fusion Bracewell Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.4) Fusion Bransford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.5) Fusion Broadway Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.6) Fusion Brothwood Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

**Charoen Pokphand Foods Public Company Limited
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
9.7) Fusion Calis Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.8) Fusion Carnoustie Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.9) Fusion Charlton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.10) Fusion Crowle Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.11) Fusion Dalaman Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.12) Fusion Defford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.13) Fusion Dormington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.14) Fusion Driscoll Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.15) Fusion Dumbleton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.16) Fusion Eastoe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.17) Fusion Elmbridge Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.18) Fusion Everton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.19) Fusion Exning Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.20) Fusion Fethiye Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.21) Fusion Gatley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.22) Fusion Gocek Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.23) Fusion Gray Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.24) Fusion Grimley Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.25) Fusion Guarlford Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.26) Fusion Haddenham Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.27) Fusion Hadzor Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.28) Fusion Hallow Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.29) Fusion Harper Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.30) Fusion Hartford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.31) Fusion Haverhill Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.32) Fusion Hawstead Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

**Charoen Pokphand Foods Public Company Limited
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
9.33) Fusion Head Street Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.34) Fusion Heath Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.35) Fusion Irvine Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.36) Fusion Kaitaia Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.37) Fusion Kroma Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.38) Fusion Krone Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.39) Fusion Lidgate Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.40) Fusion Lineker Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.41) Fusion Littleworth Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.42) Fusion Madeley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.43) Fusion McMahan Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.44) Fusion Mountfield Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.45) Fusion Moyes Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.46) Fusion Newlands Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.47) Fusion Niamh Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.48) Fusion Pershore Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.49) Fusion Priest Lane Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.50) Fusion Ratcliffe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.51) Fusion Reid Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.52) Fusion Richardson Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.53) Fusion Samui Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.54) Fusion Saxham Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.55) Fusion Sharp Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.56) Fusion Sheedy Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.57) Fusion Soham Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.58) Fusion Southall Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
9.59) Fusion Stevens Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.60) Fusion Stowmarket Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.61) Fusion Swaffham Limited ⁽⁵⁾	Importer and distributor of processed meat and ready meals	United Kingdom	-	52.00
9.62) Fusion Thetford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.63) Fusion Turgay Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.64) Fusion Uzumlu Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.65) Fusion Van Den Hauwe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.66) Fusion Wadborough Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.67) Fusion Wellington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.68) Fusion Whistler Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.69) Fusion Wright Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
9.70) Fusion Yamac Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
Aquaculture business				
Direct subsidiaries				
1) Seafoods Enterprise Co., Ltd. ⁽³⁾	Shrimp processing plant	Thailand	99.99	99.99
2) Pokphand Aquatech Co., Ltd. ⁽⁵⁾	Aquatic feed production and distribution and aquaculture farm	Thailand	-	99.99
Indirect subsidiaries				
1) CP Foods West, Inc. ⁽³⁾	Importer and distributor of food products (operations wound up in September 2010)	United States of America	100.00	100.00
2) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
Overseas operations				
Direct subsidiaries				
1) Charoen Pokphand Foods Kenya Co., Ltd.	Animal feedmill and livestock farming	Kenya	99.99	99.99

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	Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
				2012	2011
2)	Charoen Pokphand Foods Philippines Corporation (2.1 is a subsidiary of Charoen Pokphand Foods Philippines Corporation)	Animal feed production and distribution and shrimp hatchery business	Philippines	99.99	99.99
2.1)	A.P.P. Enterprise, Inc. ⁽⁶⁾	Property lease-out	Philippines	39.60	39.60
3)	CPF Investment Limited (3.1 to 3.6 are subsidiaries of CPF Investment Limited)	Investment	British Virgin Islands	100.00	100.00
3.1)	Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
3.2)	Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
3.3)	Coinaton Investments Limited (3.3.1 is a subsidiary of Coinaton Investments Limited)	Investment	British Virgin Islands	100.00	100.00
3.3.1)	Chun Ta Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
3.4)	CPVN Limited	Investment	British Virgin Islands	100.00	-
3.5)	Forward Pass Limited (3.5.1 is a subsidiary of Forward Pass Limited)	Investment	British Virgin Islands	100.00	100.00
3.5.1)	Ta Chung Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
3.6)	New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
4)	CPF Tanzania Limited	Animal feedmill and livestock farming	Tanzania	99.99	-
5)	C.P. Aquaculture (Beihai) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	The People's Republic of China	100.00	100.00
6)	C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	The People's Republic of China	100.00	100.00
7)	C.P. Aquaculture (Hainan) Co., Ltd.	Aquaculture farming	The People's Republic of China	100.00	100.00
Direct and indirect subsidiaries					
1)	Charoen Pokphand Foods (Overseas) LLC. (1.1 is a subsidiary of Charoen Pokphand Foods (Overseas) LLC.)	Animal feedmill and livestock farming	Russia	99.99	99.99
1.1)	CPF Agro LLC.	Livestock farming	Russia	99.99	99.99
2)	C.P. Standart Gida Sanayi ve Ticaret A.S.	Chicken integration	Turkey	100.00	100.00

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	Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
				2012	2011
3)	C.P. Pokphand Co., Ltd. (3.1 to 3.73 are subsidiaries of C.P. Pokphand Co., Ltd.)	Investment	Bermuda	76.13	-
3.1)	C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.2)	C.P. Enterprises Limited	Investment	Hong Kong	76.13	-
3.3)	C.P. Standard Resources Limited	Dormant	Hong Kong	76.13	-
3.4)	C.P. Vietnam Corporation	Animal feed production and distribution and farming and food processing plant	Vietnam	83.09	-
3.5)	C.T. Progressive (H.K.) Ltd.	Investment	Bermuda	76.13	-
3.6)	Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.7)	Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	76.13	-
3.8)	Chengdu Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.9)	Chia Tai (China) Investment Co., Ltd.	Investment and trading	The People's Republic of China	76.13	-
3.10)	Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong	76.13	-
3.11)	Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong	76.13	-
3.12)	Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.13)	Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.14)	Chongqing Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.15)	Chongqing Shuangqiao Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.16)	Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.17)	CP China Investment Limited	Investment	Cayman Islands	76.13	-
3.18)	ECI Machinery Co., Ltd.	Investment	British Virgin Islands	76.13	-
3.19)	Ek Chor China Motorcycle Co., Ltd.	Investment	Bermuda	76.13	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
3.20) Ek Chor Investment Company Limited	Investment	Hong Kong	76.13	-
3.21) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.22) Ganzhou Chia Tai Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	60.90	-
3.23) Golden Industrial Investment Limited	Investment	Hong Kong	76.13	-
3.24) Guang An Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.25) Guangdong Tai Tong Investment Co., Ltd.	Investment	The People's Republic of China	76.13	-
3.26) Guanghan Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	69.28	-
3.27) Guilin Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	64.71	-
3.28) Guiyang Chia Tai Co., Ltd.	Dormant	The People's Republic of China	76.13	-
3.29) Hangzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.30) Hannick Limited	Property investment	Hong Kong	76.13	-
3.31) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.32) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.33) Inner Mongolia Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	71.33	-
3.34) Jiang Jin Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.35) Jiangsu Huai Yin Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	66.99	-
3.36) Jinan Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	49.48	-
3.37) Jiu Jiang Chia Tai Feedstuff Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
3.38) Kunming Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	70.34	-
3.39) Lanzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.40) Liuzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.41) Mianyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	60.90	-
3.42) Modern State Investments Limited	Investment	British Virgin Islands	76.13	-
3.43) Nanchang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.44) Nanning Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	69.73	-
3.45) Nantong Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.46) Nantong Chia Tai Technology Feed Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.47) Nanyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.48) Neijiang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.49) Ningbo Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.50) Pingdingshan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.51) Pucheng Chia Tai Biochemistry Limited	Production and sale of chlortetracycline	The People's Republic of China	52.91	-
3.52) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.53) Shaanxi Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	73.08	-
3.54) Shanghai EK Chor Industrial Trading Co., Ltd.	Dormant	The People's Republic of China	76.13	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
3.55) Shanxi Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.60	-
3.56) Shenyang Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.57) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.58) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.59) Shuangliu Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	53.29	-
3.60) Tai Zhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	The People's Republic of China	57.86	-
3.61) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.62) Tianjin Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.63) Urumqi Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	71.10	-
3.64) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.65) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.66) Xiamen Chia Tai Agriculture Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	45.68	-
3.67) Xiangyang Chia Tai Co., Ltd. (formerly known as Xiang Fan Chia Tai Co., Ltd.)	Production and sale of animal feed	The People's Republic of China	76.13	-
3.68) Xuzhou Chia Tai Feed Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	49.48	-
3.69) Yi Chang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-
3.70) Yinchuan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	64.71	-
3.71) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	76.13	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
3.72) Zhumadian Chia Tai Co., Ltd. ⁽⁶⁾	Production and sale of animal feed	The People's Republic of China	46.44	-
3.73) Zhumadian Huazhong Chia Tai Co., Ltd.	Production and sale of chlortetracycline	The People's Republic of China	53.29	-
Indirect subsidiaries				
1) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.61	99.61
2) Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (2.1 to 2.3 are subsidiaries of Charoen Pokphand Foods (Malaysia) Sdn. Bhd.)	Investment in aquaculture integration business	Malaysia	99.99	99.99
2.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
2.2) Makin Jernih Sdn. Bhd. (2.2.1 to 2.2.3 are subsidiaries of Makin Jernih Sdn. Bhd.)	Investment	Malaysia	99.99	-
2.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	-
2.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	-
2.2.3) Tip Top Meat Sdn. Bhd.	Processed Meat	Malaysia	99.99	-
2.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
3) Charoen Pokphand (India) Private Limited	Animal feedmill production and livestock farming	India	99.99	99.99
4) Charoen Pokphand (USA), Inc.	Broiler chicken integration (operations wound up in March 2004)	United States of America	99.97	99.97
5) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽⁶⁾ (5.1 to 5.6 are subsidiaries of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.)	Chicken integration and livestock farming	Taiwan	32.41	32.41
5.1) Arbor Acres (Taiwan) Co., Ltd. ⁽⁶⁾	Livestock farming	Taiwan	16.21	16.21
5.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽⁶⁾	Importer and distributor feedstuff additives and animal vaccines	Taiwan	29.17	29.17
5.3) Chia Tai Lianyungang Co., Ltd. ⁽⁶⁾	Investment	Hong Kong	32.41	32.41
5.4) Lianyungang Chia Tai Agro-industry Development Co., Ltd. ⁽⁶⁾	Production of animal feed	The People's Republic of China	22.69	22.69

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
5.5) Plenty Type Limited ⁽⁶⁾	Investment	Cayman Islands	32.41	32.41
5.6) Taiwan Sizzler Co., Ltd. ⁽⁵⁾	Restaurant	Taiwan	-	32.41

- (1) Transferred broiler integration business to CPF (Thailand) Public Company Limited
(2) Transferred the principal activities, shrimp farming and processing plant, to the Company
(3) In the process of liquidation
(4) Disposed the entities in the forth quarter of 2012
(5) Registered the completeness of liquidation in 2012
(6) The Company has the power to govern those companies.

2 Basis of preparation of the financial statements and new Thai Financial Reporting Standards

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP issued and revised a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 43 to the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for significant transaction shown in the statement of financial position as follows

- Available-for-sale investments which are measured at fair value.
- Certain types of biological asset which are measured at fair value less costs to sell.
- Land using for operation are measured at fair value.

2.3 Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million Baht unless otherwise stated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, 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 estimates.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes to the financial statements:

Note 11	Measurement of biological assets
Note 12 to 20	Assumptions used in discounted cash flow projections
Note 22	Utilisation of tax losses
Note 22 and 36	Deferred and current taxation
Note 26	Measurement of defined benefit obligations
Note 40	Valuation of financial instruments

3 Changes in accounting policy

Accounting for biological assets

From 1 January 2012, the Group has early adopted International Accounting Standards (“IAS”) No. 41 *Agriculture* which has been applied retrospectively in accordance with the transitional provisions of Thai Accounting Standard No. 8 (revised 2009) *Accounting Policies, Changes in Accounting Estimates and Errors*.

New accounting policy

Biological assets are measured at its fair value less costs to sell (the incremental cost directly attributable to the disposal of biological assets) except for the case where the fair value cannot be measured reliably; they are measured at its cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consist of swine breeders, are separately presented under the caption “Non-current assets”. Other biological assets are presented under the caption “Current assets” in the statement of financial position.

Previous accounting policy

Prior to the year 2012, the Group’s biological assets were presented under the caption “Inventories” and measured at the lower of average cost and net realisable value. Swine breeders, chickens, ducks and others, and milking cows were measured at cost less amortisation.

The impacts on the financial statements for the periods 2012 and 2011 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2011 and 1 January 2012	1 January 2011	31 December 2011 and 1 January 2012	1 January 2011
<i>Statements of financial position</i>				
Decrease in inventories	(14,441)	(11,960)	(2,663)	(2,201)

(Unit: Million Baht)

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(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2011 and 1 January 2012	1 January 2011	31 December 2011 and 1 January 2012	1 January 2011
	Increase in biological assets			
- Current	12,514	10,216	2,516	2,086
- Non-current	2,120	1,851	163	127
Increase in investments in associates	409	251	-	-
Increase in deferred tax liabilities	(44)	(32)	(4)	(4)
Decrease in other components of equity	88	41	-	-
Increase in retained earnings	646	367	12	8

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	Statements of income for the year ended 31 December			
Increase in gains (losses) on changes in fair value of biological assets	229	87	(16)	4
Increase in share of profits (losses) of associates	(34)	206	-	-
Increase (decrease) in profit before income tax expense	195	293	(16)	4
(Increase) decrease in income tax expense	(32)	(13)	4	-
Increase (decrease) in profit for the year	163	280	(12)	4
Increase in basic earnings per share (in Baht)	0.02	0.04	-	-

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3 to the financial statements, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly-controlled entities.

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Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs that incurs in connection with a business combination, recorded as expenses as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If subsidiaries of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted or as an investment available-for-sale investment depending on the level of influence retained.

Associates and jointly-controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly-controlled entities are those entities over whose activities the

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Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly-controlled entities are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate together with any long-term interests, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any revenue and expense, are eliminated in full in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill arising on the acquisition of foreign entities are stated at exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the currency translation differences in equity until disposal of investment.

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A monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are presented in the same way as foreign exchange differences.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks, arising from operating, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement is recognised depending on the nature of the item being hedged.

(d) *Hedging*

Hedge of future foreign currency transactions

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to Thai Baht at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains or losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

For hedges of anticipated future transactions, the Group recognises gains and losses on forward exchange contracts and the related forward premium/discount in profit or loss only when such transactions are completed.

Hedge of interest rates

Interest differentials under swap arrangements are accrued in proportion to the interval of time and relevant underlying notional principal and recorded as adjustments to the interest expense relating to the hedged loans.

(e) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits, highly liquid short-term investments and overdrafts that are repayable on demand.

Deposits that have a restriction on use are presented separately in the account "Restricted deposits at financial institutions" under the caption "Non-current assets" in the statement of financial position.

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

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(g) Inventories

Raw materials, work in progress and finished goods

Finished goods and raw materials are valued principally at the lower of average cost and net realisable value.

Work in progress is valued principally at the lower of cost and net realisable value.

Chemicals, medicals and factory supplies are valued principally at the lower of average cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Biological assets

Biological assets are measured at its fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological assets), except for the case where the fair value cannot be measured reliably, they are measured at its cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consist of swine breeders, are separately presented under the caption "Non-current assets". Other biological assets are presented under the caption "Current assets" in the statement of financial position.

(i) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal groups) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rate basis, except for inventories, financial assets, deferred tax assets and investment properties, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Investments

Investments in subsidiaries and associates and jointly-controlled entities

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

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Investments in other equity securities

Investments in marketable equity securities that are non-subsiaries and/or non associates, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. When there is objective evidence that the value of the asset is impaired, impairment losses are recognised in profit or loss.

Equity securities of related and other companies that are non-subsiaries and/or non-associates, which are not marketable, held as “General Investments” are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(k) *Investment properties*

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Transfers to property, plant and equipment

The carrying amount of investment properties is transferred to property, plant and equipment at the date of change in use and measured in accordance with accounting policy of property, plant and equipment.

(l) *Property, plant and equipment*

Recognition and measurement

Owned assets of the Group

Land using for operation are stated at their revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

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Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation differences on assets are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets approximated to that which would be determined using fair values at the reporting date.

Any increase in value net of deferred tax liability is recognised in other comprehensive income and presented in “Revaluation differences on assets” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. Any value is being subsequently increased will credit to other comprehensive income only for the amount higher than the previously decreased in value.

A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

Transfers to investment properties

Transfers from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Utilities system	3 - 40	years
Buildings and constructions	3 - 61	years
Building improvements and leasehold improvements	2 - 40	years
Water and electricity systems	5 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	3 - 20	years
Vehicles	2 - 25	years

No depreciation is provided on assets under construction and installation.

(m) Intangible assets

Goodwill

The measurement of goodwill that arises upon the acquisition of subsidiaries at initial recognition is described in note 4 (a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill related to associates is included in the carrying amount of the investment in associates.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing cost and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are stated at cost less accumulated amortisation and impairment losses.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life.

The estimated useful lives are as follows:

Development cost of software applications	5 - 10	years
Software licenses	3 - 15	years
Trademark	4.5 years and indefinite useful life	
Other	5 and 10	years

Amortisation methods, estimated useful lives and residual values are reviewed at each financial year-end.

(n) Leasehold rights

Payments made by the Group for leasehold rights are measured at cost method and amortisation is recognised in the profit or loss. The Group amortises the cost of leasehold rights on straight line basis over the periods of the leasehold agreements between 16-99 years.

(o) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income.

When there is objective evidence that the value of the available-for-sale investments is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

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Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The reversal of a financial asset is recognised as follows:

- (1) For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.
- (2) For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss of the assets is reversed in profit or loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(q) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(r) *Employee benefits*

Post-employment benefit - defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in profit or loss in the periods during which services are rendered by employees.

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Post-employment benefit - defined benefit plans

Obligation for defined benefit plan is calculated by using actuarial techniques and separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted by using the projected unit credit method to determine the present value of the defined benefit obligation and the current service cost.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Termination benefits

Termination benefits are recognised in profit or loss when the Group is committed demonstrably, without realistic possibility of withdrawal or a formal detail plan to terminate employment before the normal retirement date and the obligation can be estimated reliably.

Short-term employee benefits

Short-term employee benefit obligations are recognised in profit or loss in the periods during which services are rendered by employees.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(s) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Treasury share

Share repurchase program for financial management

Treasury shares are recognised initially at cost and presented as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount to the cost of shares sold back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity ("Surplus on treasury shares"). Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares and the reserve for treasury shares are credited at the equivalent amount to the cost of shares sold back to retained earnings.

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Ordinary shares of the Company held by subsidiaries

The Company's ordinary shares held by subsidiaries, which are acquired on the acquisition date, are recognised at fair value and treated similar to treasury shares as a deduction in the equity in the consolidated financial statements. When the ordinary shares held by the subsidiaries are disposed, the Company will recognise the gain net of tax from the disposal as surplus. And net losses of tax are debited to retained earning after setting off against any remaining balance of surplus.

(u) Revenue

Revenue excluding value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue from sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income

Rental income from operating lease contracts is recognised in profit or loss on a straight line basis over the term of the lease.

Other income

Other operating income and interest income are recognised in profit or loss on the accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

(v) Finance costs

Interest and expenses incurred from financing are charged to profit or loss for the period on the accrual basis, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The interest component of finance lease payments is recognised as finance costs in profit or loss using the effective interest rate method.

(w) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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(x) *Income tax*

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the income tax of business combination or the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax

Current tax is calculated from the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and the temporary differences associated with investment in subsidiaries and associates that is probable that it will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(y) *Basic earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares held by third parties outstanding during year.

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5 Businesses combinations - buy shares

5.1 Share acquisition of C.P. Pokphand Company Limited

5.1.1 At the extraordinary shareholders' meeting of the Company held on 18 January 2012, the Company's shareholders approved the Company and a subsidiary, CPF Investment Limited ("CPFI") (together referred to "the buyers") to buy shares of C.P. Pokphand Company Limited ("CPP") whose shares are listed in the Stock Exchange of Hong Kong. The Company and CPFI will buy shares of CPP not exceeding 18,792,774,153 shares by HK Dollar 0.9 per share from 3 shareholders (the connected parties), Orient Success International Limited, Worth Access Trading Limited and CPI Holding Company Limited (together referred to "the sellers"). The buyers and sellers agreed to calculate or make the payments in U.S. Dollar, totaling not exceeding U.S. Dollar 2,174 million or approximately Baht 66.31 billion.

Total payment of CPP shares consist of:

- (1) In part of the Company valued approximately U.S. Dollar 683 million or approximately Baht 20.82 billion are paid in the amount not exceeding the Company's incremental 694,004,106 ordinary shares at Baht 30 per share; and
- (2) In part of CPFI valued approximately U.S. Dollar 1,491 million or approximately Baht 45.49 billion are paid by cash.

The principal businesses of CPP consist of: (1) Operating in animal feed business through its subsidiaries in China; and (2) Integrated livestock and aquaculture businesses in Vietnam through C.P. Vietnam Corporation ("CPV"), an indirect subsidiary owned 70.82% shareholding.

The Group obtained the control in CPP resulting from the transfer of 9,051,872,450 ordinary shares (equal to 53.28% of the total number of voting share capital) and preferred shares of 3,261,077,748 shares on 20 January 2012 ("Purchase date"). The Group acquired the remaining of ordinary shares and preferred shares of 3,179,283,334 shares (equal to 18.72% of the total number of voting share capital) and 3,300,540,621 shares respectively on 8 March 2012.

The proportionate ownership of CPP group of companies is considered from the number of paid-up ordinary and preferred shares totaling 24,685,370,746 shares (divided into the ordinary shares of 16,987,835,710 shares and preferred shares of 7,697,535,036 shares). The voting right is considered from the total number of paid-up ordinary shares on 8 March 2012 of 16,987,835,710 shares. The details are as follows:

	Total number of shares of CPP (shares)	Number of shares held by the Group (shares)	Ownership interest (%)	Voting rights (%)
Ordinary shares	16,987,835,710	12,231,155,784	49.55	72.00
Preferred shares ⁽¹⁾	7,697,535,036	6,561,618,369	26.58	-
Total	24,685,370,746	18,792,774,153	76.13	72.00

⁽¹⁾ Preferred shares have no voting rights, but shall receive a dividend on the same basis as ordinary shares. The total holding of the Group equals to 85.24% of the total number of paid-up preferred shares of CPP.

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The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2009) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	<i>(Unit: Million Baht)</i>
	Fair value
Cash	46,959
Issue of ordinary shares (694,004,106 ordinary shares)	24,290
Total	71,249

The fair value of the Company’s issued ordinary shares of 694,004,106 shares was based on the listed share price of the Company (“Closing price”) at 20 January 2012 at the price of Baht 35 per share. The difference between the agreed share value and the fair value is Baht 3,470 million, which the Company recorded this difference in the caption “Other premium” in the statement of financial position as at 31 December 2012.

Identifiable assets acquired and liabilities assumed

	<i>(Unit: Million Baht)</i>
	Fair value
Loans to related companies	4,493
Current assets	34,240
Property, plant and equipment	19,095
Non-current assets	15,070
Borrowings from related companies	(395)
Borrowings from financial institutions	(15,892)
Current and non-current liabilities	(16,665)
Net assets	39,946
Non-controlling interests of the acquiree (based on their proportionate interest in the recognised amount of the identifiable asset and liabilities of the acquiree)	(12,449)
Group’s previously held equity interest in CPV	(12,184)
Goodwill	55,936
Consideration transferred	71,249

The fair value of the identifiable assets acquired and the liabilities assumed and allocation of acquisition-date fair value is calculated by using independent appraisers. The factors contributing to the goodwill are the high potential from the business base expansion into China and Vietnam and the synergy benefits from the exchange of knowledge and skills among personnel which increases the operating efficiency of the Group. Moreover, increased centralisation will create economies of scale, which in turn generates cost efficiency, especially in raw materials purchase. Goodwill from the business combination will not qualify for any tax deduction.

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- 5.1.2 Before the business combination, the Group had an investment in an associate (C.P. Vietnam Corporation (“CPV”)), and owned directly 29.18% shareholding. Since CPV was the indirect subsidiary of CPP (the total holding equaled 70.82%), the Group had to measure the fair value of the interest in CPV before the business combination as at the date of acquisition. The measurement resulted in a gain which is recognised as “Gain on changes in fair value of investments in associate” in the statement of income for the year ended 31 December 2012. Details are as follows:

	<i>(Unit: Million Baht)</i>
Fair value of existing interest in CPV before the business combination at the acquisition date	12,184
Less - investment in CPV accounted for equity method at the acquisition date	(2,724)
- transferred other components in equity to the consolidated statement of income	(787)
Gain on changes in fair value of investment in associate	<u>8,673</u>

- 5.1.3 The consolidated statements of income for the year ended 31 December 2012 include operation results of CPP and its subsidiaries for the period from 20 January 2012 to 31 December 2012. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	For the period from 20 January 2012 to 31 December 2012
Revenue from sale of goods	143,522
Profit for the period attributable to equity holders of the Company	3,976

If the acquisition had occurred on 1 January 2012, management estimates that revenue from sale of goods and profit in the consolidated financial statements for the year ended 31 December 2012 would have been as follows:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2012
Revenue from sale of goods	367,811
Profit for the period attributable to equity holders of the Company	19,058

5.2 Share acquisition of Markin Jernih Sdn. Bhd.

At the Company’s Board of Directors meeting held on 29 December 2011, the Company’s Board of Directors approved a resolution for Charoen Pokphand Foods (Malaysia) Sdn. Bhd., a 99.99% owned indirect subsidiary, to buy shares of Makin Jernih Sdn. Bhd. (“MJSB”), a company registered in Malaysia, of 33 million shares (equal to 100%) from MKH Berhad, totaling RM 64 million, and was paid by cash at all amount on 16 January 2012.

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The business of MJSB is investing in shares of other companies. Recently MJSB has 100% investments of issued and paid-up share capital of the following 3 companies:

- 1) Chau Yang Farming Sdn. Bhd.; principal business is fattening swine.
- 2) Tip Top Meat Sdn. Bhd.; principal business is swine slaughter.
- 3) AA Meat Sdn. Bhd.; principal business is retail in swine and relevant products.

The Group has applied TFRS No. 3 (revised 2009) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date

Consideration transferred

	<i>(Unit: Million Baht)</i>
	Fair value
Cash	667
Total	667

Identifiable assets acquired and liabilities assumed

	<i>(Unit: Million Baht)</i>
	Fair value
Current assets	128
Property, plant and equipment	543
Other non-current assets	188
Borrowings from financial institutions	(55)
Current and non-current liabilities	(180)
Total identifiable net assets	624
Goodwill	43
Consideration transferred	667

The factors that contributed to goodwill include the potential to expand its integrated swine business in Malaysia. Moreover, the swine abattoir uses modern technology with high standard, and it is the only one private abattoir approved by the Malaysian Authorities. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statements of income for the year ended 31 December 2012 include operation results of MJSB and its subsidiaries for the period from 16 January 2012 to 31 December 2012. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	<i>For the period from 16 January 2012 to 31 December 2012</i>
Revenue from sale of goods	469
Profit for the period attributable to equity holders of the Company	56

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If the acquisition had occurred on 1 January 2012, management estimates that revenue from sale of goods and profit for the year ended 31 December 2012 would have no significant impact on the consolidated financial statements for the year ended 31 December 2012.

5.3 Share acquisition of Chester's Food Co., Ltd.

At the Company's Board of Directors meeting held on 11 July 2012, the Company's Board of Directors approved a resolution to buy shares of 799,997 ordinary shares of Chester's Food Co., Ltd. ("Chester") (equal to 99.99% of Chester's total issued and paid-up shares) at the price of Baht 562.50 per share, totaling Baht 450 million from Charoen Pokphand International Company Limited, and was fully paid by cash on 1 October 2012.

Consideration transferred

	<i>(Unit: Million Baht)</i>
	Fair value
Cash	450
Total	450

Identifiable assets acquired and liabilities assumed

	<i>(Unit: Million Baht)</i>
	Fair value
Current assets	136
Property, plant and equipment	77
Intangible assets	396
Other non-current assets	98
Current and non-current liabilities	(264)
Total identifiable net assets	443
Goodwill	7
Consideration transferred	450

The factors that contributed to goodwill include additional downstream business opportunity and Chester network of restaurants which will become one of the important Food Retail Outlet of the Company. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statements of income for the year ended 31 December 2012 include operation results of Chester for the period from 1 October 2012 to 31 December 2012. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	For the period from 1 October 2012 to 31 December 2012
Revenue from sale of goods	249
Profit for the period attributable to equity holders of the Company	11

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If the acquisition had occurred on 1 January 2012, management estimates that revenue from sale of goods and profit for the year ended 31 December 2012 would have no significant impact on the consolidated financial statements for the year ended 31 December 2012.

6 Partial business transfer

On 30 April 2012 the Company agreed to transfer the carrying amounts of assets and liabilities as shown in the financial statements as at 1 June 2012 of livestock business to a subsidiary, CPF (Thailand) Public Company Limited. This livestock business consists of (1) animal feed, (2) animal and breeder farm, and (3) food processing integrated. The following summarises the consideration received and the carrying amounts of assets and liabilities:

(Unit: Million Baht)

Cash and cash equivalents	2
Accounts receivable - trade and others	1,312
Inventories	2,634
Current biological assets	1,106
Other current assets	10
Property, plant and equipment	6,474
Non-current biological assets	277
Intangible assets	13
Other non-current assets	2
Total assets	11,830
Accounts payable - trade and others	(616)
Other current liabilities	(121)
Employee benefit obligations	(259)
Total liabilities	(996)
The carrying amount of net assets	10,834
Revaluation surplus on land transferred to surplus on common control transactions	(437)
Income tax of differences on the carrying amount of net assets and the consideration transferred	(1)
Surplus on common control transactions	429
Consideration received	10,825
Less cash and cash equivalents	(2)
Net cash inflow	10,823

The Company recorded the differences between the carrying amount of net assets, revaluation surplus on transferred land net from income tax expense and the consideration received from a subsidiary totaling 429 million in the account “Surplus on common control transactions” in the separate statement of financial position as at 31 December 2012. In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

7 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.

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The pricing policies for particular types of transactions 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
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

7.1 Significant transactions with related parties for the years ended 31 December 2012 and 2011

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
(a) Revenues				
Major shareholder				
Sale of goods	1	-	-	-
Gain on sale of investments	4	-	15	-
Subsidiaries				
Sale of goods	-	-	18,232	28,303
Dividend income	-	-	7,967	7,136
Interest income	-	-	1,768	1,606
Rental, service and other income	-	-	12	4
Associates, jointly-controlled entities and related companies				
Sale of goods	24,691	10,075	565	934
Dividend income	12	15	8	13
Interest income	23	-	-	-
Gain on sale of equipment and others	24	3	23	3
Rental, service and other income	331	68	67	4
Training and seminar income	16	16	-	-
Software application income	73	25	-	-

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		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
(b)	<i>Expenses and others</i>				
	Major shareholder				
	Purchase of raw materials and goods	8,217	6,615	2,647	2,524
	Technical service fees	1,007	393	79	111
	Trademark license fees	73	54	18	18
	Subsidiaries				
	Purchase of raw materials and goods	-	-	9,870	12,798
	Software application fees	-	-	235	213
	Loss on sale of investments	-	-	-	152
	Rental and service fees	-	-	74	60
	Training and seminar fees	-	-	62	71
	Interest and other expenses	-	-	58	8
	Associates, jointly-controlled entities and related companies				
	Purchase of raw materials and goods	28,517	10,236	1,260	1,554
	Rental and service fees	1,194	1,183	434	495
	Construction costs of buildings, structures and others	1,238	691	683	254
	Purchase of equipment and others	272	248	165	210
	Interest expenses	12	-	-	-
	Insurance premium	272	218	97	95
	Trademark license fees	31	30	-	-
	Software application fees	29	28	-	-
	Other expenses	1,050	1,025	183	260

7.2 Investment trading transactions

The Group bought shares of certain related companies as disclosed in note 5 to the financial statements.

In 2012, the Group and the Company sold the investments in an associate to Charoen Pokphand Group Company Limited, the major shareholder, amounting to Baht 94 million and Baht 69 million respectively. The Group and the Company had a gain on sale of investment in the consolidated and separate financial statements amounting to Baht 4 million and Baht 15 million respectively.

7.3 Partial business transfer

The Company partially transferred its business to a subsidiary as disclosed in note 6 to the financial statements.

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7.4 Balances with related parties as at 31 December 2012 and 2011

7.4.1 Accounts receivable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2012	2011	financial statements	2011
Major shareholder				
Charoen Pokphand Group Company Limited	1	1	-	-
Subsidiaries				
C.P. Merchandising Co., Ltd.	-	-	1,077	1,212
CPF Food Trading Co., Ltd.	-	-	404	231
C.P. Food Products, Inc.	-	-	391	173
CP Foods (UK) Limited	-	-	271	406
CPF Europe S.A.	-	-	200	227
Charoen Pokphand Foods (Overseas) LLC.	-	-	142	31
CPF Tokyo Co., Ltd.	-	-	105	43
CPF Trading Co., Ltd.	-	-	83	196
C.P. Vietnam Corporation	-	-	44	-
CPF (Thailand) Public Company Limited	-	-	21	-
Bangkok Produce Merchandising Public Company Limited	-	-	8	330
CPF Food Products Co., Ltd. *	-	-	-	196
Charoen Pokphand Northeastern Public Company Limited *	-	-	-	193
B.P. Food Products Co., Ltd. *	-	-	-	167
CPF Premium Foods Co., Ltd.	-	-	-	134
Bangkok Agro-Industrial Products Public Company Limited *	-	-	-	94
C.P. Agro-Industry Co., Ltd. *	-	-	-	69
Other	-	-	-	29
Total	-	-	2,746	3,731

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7.4.1 Accounts receivable - trade and others (Continued)

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Associates and jointly- controlled entities				
CP ALL Public Company Limited	1,071	842	-	-
Counter Service Co., Ltd.	535	300	11	6
C.P. Retailing and Marketing Co., Ltd.	250	186	10	19
Allianz C.P. General Insurance Public Company Limited	-	261	-	204
Other	37	12	-	9
Total	1,893	1,601	21	238
Related companies				
Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	2,009	-	-	-
Perfect Companion Group Co., Ltd.	423	134	4	44
Charoen Pokphand Intertrade Singapore (Pte) Ltd.	361	274	1	6
Allianz C.P. General Insurance Public Company Limited	131	-	52	-
C.P. Consumer Products Co., Ltd.	65	110	-	-
Yichang Chia Tai Animal Husbandry Co., Ltd.	55	-	-	-
Advance Phrama Co., Ltd.	39	55	37	50
Farm Pichit Thai Livestock Co., Ltd.	37	38	-	-
Tacham Farm Co., Ltd.	26	10	-	-
Shanghai Lotus Supermarket Chain Store Co, Ltd.	24	15	-	-
Shandong C.P. Livestock Co., Ltd.	15	-	-	-
Tacham Agriculture-Industrial Co., Ltd.	13	11	-	-
Chia Tai Food Product (Shanghai) Co., Ltd.	12	11	7	7
Chia Tai Aquaculture (Zhuhai) Co., Ltd.	3	37	-	-
Other	184	107	9	31
Total	3,397	802	110	138
Grand total	5,291	2,404	2,877	4,107

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

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7.4.2 Short-term loans

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Jointly-controlled entities				
Yunnan ECI-Metro Engineering Machinery Services Co., Ltd.	138	-	139	-
Jilin Chia Tai Enterprise Co., Ltd.	43	-	62	-
Beijing Chia Tai Feedmill Co., Ltd.	19	-	101	-
Handan Chia Tai Feed Co., Ltd.	-	-	16	-
Total	200	-	318	-
Related company				
Yiwu Jin Heng Yuan Investments Co., Ltd.	-	-	12	-
Total	-	-	12	-
Grand total	200	-	330	-

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Subsidiaries				
CPF (Thailand) Public Company Limited	15,670	-	9,827	-
C.P. Merchandising Co., Ltd.	5,560	2,100	3,297	5,229
Charoen Pokphand Foods (Overseas) LLC.	499	197	301	16
CPF IT Center Co., Ltd.	185	285	215	224
C.P. Aquaculture (Beihai) Co., Ltd.	130	133	134	130
C.P. Aquaculture (Hainan) Co., Ltd.	92	94	94	91
C.P. Aquaculture (Dongfang) Co., Ltd.	84	86	86	84
C.P. Food Products, Inc.	31	31	31	31
Bangkok Food Products Co., Ltd. *	-	2,250	188	2,642
Bangkok Agro-Industrial Products Public Company Limited *	-	1,585	132	1,752
CPF Food Products Co., Ltd. *	-	1,350	113	1,879
Charoen Pokphand Industry Co., Ltd. *	-	1,200	107	940
Charoen Pokphand Northeastern Public Company Limited *	-	660	60	1,168
Rajburi Foods Co., Ltd. *	-	350	33	772
B.P. Food Products Co., Ltd. *	-	350	29	372
C.P. Agro-Industry Co., Ltd. *	-	253	21	21
Bangkok Produce Merchandising Public Company Limited	-	-	-	1,329

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7.4.2 Short-term loans (Continued)

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
CPF Premium Foods Co., Ltd.	-	-	-	34
CPF Training Center Co., Ltd.	-	-	-	32
CPF Investment Limited	-	177	910	102
International Pet Food Co., Ltd. *	-	120	10	120
Total	22,251	11,221	15,588	16,968

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

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

The currency denomination of short-term loans to subsidiaries as at 31 December 2012 and 2011 was as follows:

(Unit: Million Baht)

	Separate financial statements	
	2012	2011
Functional currency	21,415	10,503
Foreign currency - Ruble	499	196
Foreign currency - United States Dollar	337	522
Total	22,251	11,221

7.4.3 Accrued dividend income

(Unit: Million Baht)

	Separate financial statements	
	2012	2011
Subsidiary		
CPF (Thailand) Public Company Limited	1,051	-
Total	1,051	-

7.4.4 Accrued interest income

(Unit: Million Baht)

	Separate financial statements	
	2012	2011
Subsidiaries	-	1

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7.4.5 Investment in subsidiaries

In the fourth quarter of 2011, the Company sold its investment in ordinary shares of direct foreign subsidiaries to a foreign subsidiary (CPF Investment Limited) a total value of Baht 1,766 million. The cost of disposed investment accounted for using the cost method was Baht 1,943 million. In this regards, the Company had loss on sale of investment of Baht 177 million in the separate financial statements and the status was changed to an indirect subsidiary of the Company.

7.4.6 Investment in associates and related companies

In the fourth quarter of 2011, the Company sold its investment for the foreign associates and related companies to a foreign subsidiary (CPF Investment Limited) a total value of Baht 85 million. The cost of disposed investment accounted for using the cost method was Baht 60 million. In this regards, the Company had gain on sale of investments of Baht 25 million in the separate financial statements.

7.4.7 Long-term loans

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Subsidiaries				
CPF (Thailand) Public Company Limited	12,510	-	6,944	-
Charoen Pokphand Foods (Overseas) LLC.	1,505	1,555	1,490	1,611
Bangkok Agro-Industrial Products Public Company Limited *	-	1,200	100	1,408
Bangkok Food Products Co., Ltd. *	-	1,200	100	1,408
Charoen Pokphand Northeastern Public Company Limited *	-	720	60	845
CPF Investment Limited	-	283	46	337
Charoen Pokphand Industry Co., Ltd. *	-	280	23	530
B.P. Food Products Co., Ltd. *	-	150	13	504
Total	14,015	5,388	8,776	6,643
<i>Less current portion</i>	<i>(1,260)</i>	<i>(1,323)</i>		
Net	12,755	4,065		

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

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

The currency denomination of long-term loans as at 31 December 2012 and 2011 was as follows:

	<i>(Unit: Million Baht)</i>	
	Separate financial statements	
	2012	2011
Functional currency	12,510	3,550
Foreign currency - Ruble	1,505	1,555
Foreign currency - United States Dollar	-	283
Total	14,015	5,388

7.4.8 Accounts payable - trade and others

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Major shareholder				
Charoen Pokphand Group Company Limited	588	266	66	106
Subsidiaries				
Bangkok Produce Merchandising Public Company Limited	-	-	158	494
CPF (Thailand) Public Company Limited	-	-	14	-
CPF Trading Co., Ltd.	-	-	5	6
Bangkok Food Products Co., Ltd. *	-	-	-	69
CPF Food Products Co., Ltd. *	-	-	-	36
Bangkok Agro-Industrial Products Public Company Limited *	-	-	-	32
Charoen Pokphand Northeastern Public Company Limited *	-	-	-	25
Rajburi Foods Co., Ltd. *	-	-	-	12
B.P. Food Products Co., Ltd. *	-	-	-	8
CPF Training Center Co., Ltd.	-	-	-	5
Other	-	-	5	2
Total	-	-	182	689
Associates				
PK Agro-Industrial (M) Sdn. Bhd.	81	-	-	-
C.P. Retailing and Marketing Co., Ltd.	58	42	-	-
C.P. Vietnam Corporation	-	39	-	25
Other	32	24	-	4
Total	171	105	-	29

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7.4.8 Accounts payable - trade and others (Continued)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Related companies				
C.P. Trading (China) Co., Ltd.	384	-	-	-
Kasetphand Industry Co., Ltd.	153	54	62	26
Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	127	2	-	-
CNC International Co., Ltd.	53	68	-	-
C.P. Poly-Industry Co., Ltd.	52	79	17	48
Dynamic Transport Co., Ltd.	49	60	5	17
K.S.P. Equipment Co., Ltd.	49	54	6	22
True Leasing Co., Ltd.	48	50	13	19
C.P. Packing Co., Ltd.	37	-	-	-
KSP Vietnam Co., Ltd.	26	-	-	-
Qingdao Chia Tai Co., Ltd.	25	38	-	-
Advance Pharma Co., Ltd.	25	21	5	5
C.P. Intertrade Co., Ltd.	24	38	6	7
C.P. Interfood (Thailand) Co., Ltd.	20	23	-	-
Dynamic Intertransport Co., Ltd.	20	2	-	1
Yongan Chia Tai Co., Ltd.	-	34	-	-
CPPC Public Company Limited	-	19	-	18
Other	214	188	23	38
Total	1,306	730	137	201
Grand total	2,065	1,101	385	1,025

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

7.4.9 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Jointly-controlled entities				
Beijing Chia Tai Feedmill Co., Ltd.	-	-	17	-
Handan Chia Tai Feed Co., Ltd.	36	-	28	-
Jilin Chia Tai Enterprise Co., Ltd.	-	-	6	-
Total	36	-	51	-
Related company				
Vinasiam Bank	184	-	178	-
Total	184	-	178	-
Grand total	220	-	229	-

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7.4.9 Short-term borrowings (continued)

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Subsidiaries				
Bangkok Produce Merchandising Public Company Limited	400	-	1,458	-
Klang Co., Ltd. *	-	50	-	10
Thai Prawn Culture Center Co., Ltd.	-	-	-	20
C.P. Agro-Industry Co., Ltd. *	-	-	-	33
Total	400	50	1,458	63

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

Short-term borrowings of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

7.4.10 Long-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2012	2011	2012	2011
Related company				
Vinasiam Bank	61	-	83	-
Total	61	-	83	-
Less current portion	(40)	-	(41)	-
Net	21	-	42	-

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

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7.5 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 December 2012 and 2011 were as follows:

	Consolidated / Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2012	2011	2012	2011	2012	2011
Short-term loans to subsidiaries	306	314	21,945	10,907	7.38	7.49
Short-term loans to jointly-controlled entities	156	-	44	-	3.59	-
Long-term loans to subsidiaries	14,015	5,105	-	283	6.09	6.30
Short-term borrowings from subsidiaries	400	-	-	50	4.00	2.00
Short-term loans from jointly-controlled entities and related company	-	-	220	-	3.84	-
Long-term loans from related company	62	-	-	-	5.00	-

7.6 Key management personnel compensations

Key management personnel compensations consist of:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>For the year ended 31 December</i>				
Short-term employee benefits	493	522	214	231
Post-employment under defined benefit plans	9	10	3	3
Total	502	532	217	234
<i>As at 31 December</i>				
Employee benefit obligations	228	267	78	85
Total	228	267	78	85

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7.7 Commitments

As at 31 December 2012 and 2011 the Group had commitments with related parties as follows:

7.7.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<i>Contracted but not provided for</i> Mainly represents contracts for construction of buildings and structures, purchase of machinery and others	<u>325</u>	<u>71</u>	<u>129</u>	<u>52</u>

7.7.2 Commitments under operating lease agreements

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Within one year	729	725	316	363
Over one year but within five years	958	1,180	282	467
Over five years	67	99	-	-
Total	<u>1,754</u>	<u>2,004</u>	<u>598</u>	<u>830</u>

The Company and certain subsidiaries had lease agreements with related parties covering office premises (including related facilities service agreement), land, farms and vehicles for periods of 1 to 9 years, expiring during 2013 to 2021.

7.8 Significant agreements

As at 31 December 2012 the Group had the following significant agreements with related parties:

7.8.1 Technical service agreements

The Company and certain subsidiaries had technical service agreements with the major shareholder, 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 shall be in effect starting from 1 July 2007 to 30 June 2010. The Company and certain subsidiaries have extended the agreements for an additional period until 30 June 2013 with the same conditions and fee rates.

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In addition, some 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.

7.8.2 Trademark agreements

A subsidiary (CPF Trading Company Limited) had trademark agreements with the major shareholder, Charoen Pokphand Group Company Limited (“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 agreements. These agreements shall be in effect starting from 1 July 2011 to 30 June 2014.

The Company and certain subsidiaries had trademark agreements with the major shareholder, Charoen Pokphand Group Company Limited (“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 shall be in effect starting from 1 January 2009 to 31 December 2011. The Company and subsidiaries have extended the agreements for an additional period until 30 June 2013 with the same conditions and fee rates.

A subsidiary had 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 shall be in effect starting from 1 January 2008 to 31 December 2012. The subsidiary has extended the agreements for an additional period until 30 June 2013 with the same conditions and fee rates.

7.8.3 Application system service agreement

A subsidiary had 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 shall be in effect starting from 1 January 2009 to 31 December 2013.

7.8.4 Service agreements for import and export transactions

The Company and certain subsidiaries had 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 shall be in effect since 1 July 2011 to 30 June 2013.

7.8.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd. had information technology service and software application agreements with local and foreign related companies. The term and condition of service fees are stipulated in the agreements. The agreements shall be terminated upon either party agrees to terminate the agreements.

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8 Cash and cash equivalents

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash at financial institutions and on hand	11,520	5,300	1,290	1,977
Highly liquid short-term investments	738	19,041	-	18,500
Total	12,258	24,341	1,290	20,477

The currency denomination of cash and cash equivalents as at 31 December 2012 and 2011 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Functional currencies of each company in the Group	10,824	24,060	1,290	20,477
Foreign currencies				
- United States Dollar	1,309	221	-	-
- Euro	58	32	-	-
- Pound Sterling	42	20	-	-
- Swedish Krona	14	4	-	-
- Other	11	4	-	-
Total	12,258	24,341	1,290	20,477

9 Accounts receivable - trade and others

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Related parties	7	5,291	2,404	2,877	4,107
Other parties		18,503	13,643	2,490	3,169
Total		23,794	16,047	5,367	7,276
<i>Less</i> allowance for doubtful accounts		(515)	(355)	(72)	(30)
Net		23,279	15,692	5,295	7,246
Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the year ended 31 December		51	(41)	42	(5)

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The outstanding balances of the problem accounts receivable - trade and others as at 31 December 2012 and 2011 classified by aging was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Periods over credit terms:				
Over 3 months to 6 months	58	23	-	-
Over 6 months to 12 months	39	7	-	-
Over 12 months	551	311	72	30
Total	648	341	72	30

The currency denomination of accounts receivable - trade and others as at 31 December 2012 and 2011 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functional currencies of each company in the Group	19,804	13,106	2,145	4,320
Foreign currencies				
- United States Dollar	2,343	1,679	1,154	1,389
- Won	453	427	81	69
- Singapore Dollar	354	262	1	3
- Yen	143	68	220	79
- Euro	95	70	856	814
- Sweden Krona	49	26	-	-
- Australia Dollar	27	40	2	-
- Pound Sterling	-	2	276	409
- Ruble	-	-	137	32
- Renminbi	-	-	413	122
- Other	11	12	10	9
Total	23,279	15,692	5,295	7,246

Guarantees

As at 31 December 2012 the Group's accounts receivable with a carrying value of Baht 251 million (2011: nil) were secured for its borrowings from financial institutions.

10 Inventories

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Raw materials	31,175	10,162	2,848	2,846
Chemicals and supplies	1,128	824	213	283
Work in progress	622	531	121	257
Finished goods	11,053	8,010	1,703	2,314
Inventories in transit	4,567	1,901	457	17
Total	48,545	21,428	5,342	5,717

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	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Less</i> allowance for decline in value of inventories adjusted to net realisable value	(211)	(195)	(68)	(73)
Net	48,334	21,233	5,274	5,644

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2012 amounted to Baht 261,433 million (2011: Baht 134,534 million) in the consolidated statements of income and Baht 41,243 million (2011: Baht 50,088 million) in the separate statements of income.

In 2012 the Group and the Company recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 211 million and Baht 68 million respectively (2011: Baht 195 million and Baht 73 million respectively) and recognised a recovery of allowance for decline in value of inventories of Baht 195 million and Baht 73 million respectively (2011: Baht 174 million and Baht 69 million respectively).

11 Biological assets

Movements for the years ended 31 December 2012 and 2011 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
At 1 January	14,441	11,960	2,663	2,201
Impact of changes in accounting policy	193	107	16	12
At 1 January - restated	14,634	12,067	2,679	2,213
Increase due to business combination	7,088	-	-	-
Decrease due to partial business transfer	-	-	(1,383)	-
Increase due to purchase/raise	100,200	73,614	12,393	15,714
Decrease due to sales/harvest	(97,136)	(70,639)	(12,223)	(15,015)
Change in fair value less cost to sell	229	87	(16)	4
Currency translation differences	(213)	(198)	-	-
Other	(302)	(297)	(196)	(237)
Balance at 31 December	24,500	14,634	1,254	2,679
<i>Current biological assets</i>				
Livestock	17,141	10,970	-	1,199
Aquatic	2,159	1,544	1,254	1,317
Total current biological assets	19,300	12,514	1,254	2,516

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	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Non-current biological assets</i>				
Livestock	5,200	2,120	-	163
Total non-current biological assets	5,200	2,120	-	163
Grand total	24,500	14,634	1,254	2,679

Biological assets comprise livestock biological assets such as swine, chicken, duck etc. and aquatic biological assets such as shrimp and fish. Biological assets, other than fattening swines which are measured at fair value using quoted prices at the reporting date as references, are measured at cost less accumulated depreciation and impairment losses due to short production cycle. In particular, the market prices or fair values at present condition of breeders are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, plague etc.

Cost includes all costs incurred during the growth cycle e.g. cost of new-born animals, feed costs, and other farm costs.

Breeders are depreciated using the straight-line method over the productive period of each biological asset which is ranging approximately from 4 months to 36 months. Depreciation expenses of breeders totaling Baht 2,439 million and Baht 247 million were recognised in the consolidated and separate statements of income for the year ended 31 December 2012 respectively (*2011: Baht 1,507 million and Baht 424 million respectively*).

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2012 is as follows:

	<i>(Unit: Tons)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Livestock	421,878	251,342	-	19,141
Aquatic	17,732	13,037	4,312	6,635

The estimates of physical quantities of the Group's biological assets were based on experience and historical data. The Group estimates the physical quantities of aquatic biological assets using sampling method to project the overall weight.

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12 Available-for-sale investments

Movements for the years ended 31 December 2012 and 2011 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2012</u>	<u>2011</u>
At 1 January	1,373	1,374
Additional investments	-	230
Currency translation differences	(2)	3
Changes in fair value	<u>1,084</u>	<u>(234)</u>
At 31 December	<u>2,455</u>	<u>1,373</u>

Details of available-for-sale investments

Available-for-sale investments as at 31 December 2012 and 2011 were as follows:

	<i>(Unit: Million Baht)</i>					
	Ownership interest (both direct and indirect)		Consolidated		Separate	
	<i>(%)</i>		financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<i>Marketable securities</i>						
Equity securities held as available-for-sale - at fair value						
True Corporation Public Company Limited - at cost	1.75	1.75	1,510	1,510	-	-
Siam Makro Public Company Limited - at cost	1.01	1.01	9	10	-	-
Changes in fair value			<u>936</u>	<u>(147)</u>	<u>-</u>	<u>-</u>
Total			<u>2,455</u>	<u>1,373</u>	<u>-</u>	<u>-</u>

Available-for-sale investments as at 31 December 2012 and 2011 were denominated in Thai Baht.

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13 Investments in subsidiaries

Movements of investments in subsidiaries during the years ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
At 1 January	-	-	29,284	21,080
Acquisitions/additional investments	-	-	56,325	11,021
Disposals	-	-	-	(2,104)
Proceeds from liquidation of subsidiaries	-	-	-	(416)
Increased from amalgamation of local subsidiaries	-	-	11,882	-
Decreased from amalgamation of local subsidiaries	-	-	(11,882)	-
Impairment losses	-	-	(188)	(297)
At 31 December	<u>-</u>	<u>-</u>	<u>85,421</u>	<u>29,284</u>

At the extraordinary shareholders' meetings of each 10 subsidiaries held on 21 October 2011 (10 subsidiaries consist of: 1) Charoen Pokphand Northeastern Public Company Limited; 2) Bangkok Agro-Industrial Products Public Company Limited; 3) CPF Food Products Co., Ltd.; 4) Bangkok Food Products Co., Ltd.; 5) B.P. Food Products Co., Ltd.; 6) Rajburi Foods Co., Ltd.; 7) Charoen Pokphand Industry Co., Ltd.; 8) C.P. Agro-Industry Co., Ltd.; 9) Klang Co., Ltd.; and 10) International Pet Food Co., Ltd.), the subsidiaries' shareholders approved the amalgamation of 10 local subsidiaries to form a new subsidiary according to the rules and procedures of the relevant laws. The registration of amalgamation with the Department of Business Development was completed on 1 February 2012. The new amalgamation company is CPF (Thailand) Public Company Limited ("CPFTH") and CPFTH has the registered and paid-up capital of Baht 7,008,250,000 represented by 7,008,250,000 ordinary shares with the par value of Baht 1 each. In this regard, the Company will have 99.98% investment in CPFTH's issued and paid-up share capital.

The carrying value of investment in subsidiaries amalgamated to CPFTH as at 1 February 2012 totaled Baht 11,882 million.

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

Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income for the years then ended were as follows:

	Separate financial statements												
	Ownership interest (%)		Paid-up capital		Cost method		Accumulated impairment		At cost - net		Dividend income		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Marketable security													
C.P. Pokphand Co., Ltd.	23.90	-	7,773	-	24,290	-	-	-	24,290	-	894	-	
Total			24,290	24,290					24,290		894		
Non-marketable securities													
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	3,699	835	
CPF (Thailand) Public Company Limited	99.98	-	7,008	-	11,882	-	-	-	11,882	-	1,051	-	
Bangkok Agro-Industrial Products Public Company Limited*	-	99.98	-	1,500	-	2,981	-	-	-	2,981	-	900	
Bangkok Food Products Co., Ltd.*	-	99.99	-	667	-	1,174	-	-	-	1,174	-	187	
Klang Co., Ltd.*	-	99.99	-	300	-	336	-	-	-	336	-	22	
Charoen Pokphand Northeastern Public Company Limited*	-	99.61	-	300	-	1,282	-	-	-	1,282	90	762	
Charoen Pokphand Industry Co., Ltd.*	-	99.99	-	167	-	709	-	-	-	709	90	1,302	
CPF Food Products Co., Ltd.*	-	99.99	-	2,800	-	3,743	-	-	-	3,743	-	-	
C.P. Agro-Industry Co., Ltd.*	-	99.99	-	400	-	547	-	-	-	547	-	252	
B.P. Food Products Co., Ltd.*	-	99.99	-	345	-	335	-	-	-	335	121	665	

(Unit: Million Baht)

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Rajburi Foods Co., Ltd.*	-	99.99	-	470	-	715	-	-	-	715	47	611
International Pet Food Co., Ltd.*	-	99.99	-	60	-	60	-	-	-	60	-	-
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	40	-
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	-
Seafoods Enterprise Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	-	-
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	-	-	9,000	9,000	1,935	1,249
Chester Food Co., Ltd.	99.99	-	80	-	450	-	-	-	450	-	-	-
C.P. Aquaculture (Beihai) Co., Ltd.	100.00	100.00	309	236	309	236	-	-	309	236	-	-
C.P. Aquaculture (Dongfang) Co., Ltd.	100.00	100.00	144	144	144	144	-	-	144	144	-	-
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.	30.00	30.00	2,447	2,447	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.	48.80	77.09	2,057	1,763	1,394	1,394	(598)	(410)	796	984	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Charoen Pokphand Foods Philippines Corporation	63.29	99.99	1,710	1,055	1,055	1,055	-	-	1,055	1,055	-	-
Charoen Pokphand (India) Private Limited	-	-	-	-	-	-	-	-	-	-	-	351
CPF Investment Limited	100.00	100.00	34,561	3,711	35,198	3,711	-	-	35,198	3,711	-	-
CPF Tanzania Limited	99.99	-	25	-	25	-	-	-	25	-	-	-
Total			61,729	29,694	61,729	29,694	(598)	(410)	61,131	29,284	7,073	7,136
Grand Total			86,019	29,694	86,019	29,694	(598)	(410)	85,421	29,284	7,967	7,136

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

As at 31 December 2012 a subsidiary (CPF Investment Limited) pledged 7,837 million shares of another subsidiary (C.P. Pokphand Co., Ltd.) as collateral for its borrowing from financial institutions.

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

The currency denomination of investments in subsidiaries as at 31 December 2012 and 2011 was as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Functional currencies of each company in the Group	-	-	47,142	22,402
Foreign currencies				
- United States Dollar	-	-	35,231	3,719
- Peso	-	-	1,055	1,055
- Ruble	-	-	796	984
- Turkish Lira	-	-	618	618
- Renminbi	-	-	579	506
Total	-	-	85,421	29,284

14 Investments in associates

Movements of investments in associates during the years ended 31 December 2012 and 2011 were as follows:

	<i>Note</i>	<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
			(restated)		(restated)
At 1 January - as previously reported		22,996	14,582	882	290
Impact of changes in accounting policy	3	409	251	-	-
At 1 January - restated		23,405	14,833	882	290
Associates from business combination		1,477	-	-	-
Share of profit of associates		3,712	3,863	-	-
Previously held interest in associate before status change to subsidiary		(2,724)	-	-	-
Dividend income from associates		(2,166)	(1,374)	-	-
Currency translation differences		(129)	(45)	-	-
Equity in associates		5	-	-	-
Acquisition/additional investments		8,929	6,279	-	652
Disposals		(1,745)	(150)	(54)	(60)
Other		-	(1)	-	-
At 31 December		30,764	23,405	828	882

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

Details of investments in associates and dividend income

Investments in associates as at 31 December 2012 and 2011, and dividend income for the years then ended 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Marketable security														
CP ALL Public Company Limited	31.48	31.03	8,983	4,493	20,542	12,893	26,274	17,368	-	-	26,274	17,368	1,734	1,335
Total					20,542	12,893	26,274	17,368	-	-	26,274	17,368	1,734	1,335
Non-marketable securities														
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	160	160	-	-	160	160	-	-
Ross Breeders Siam Co., Ltd.	49.99	49.99	70	70	35	35	89	86	-	-	89	86	26	22
Allianz C.P. General Insurance Public Company Limited	-	24.46	-	300	-	74	-	88	-	-	-	88	-	4
Arbor Acres Thailand Co., Ltd.	49.99	49.99	4	4	2	2	208	188	-	-	208	188	38	13
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	576	538	-	-	576	538	-	-
C.P. Cambodia Co., Ltd.	25.00	25.00	1,446	1,119	493	493	583	578	-	-	583	578	-	-
C.P. Vietnam Corporation Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	-	29.18	-	2,296	-	291	-	2,722	-	-	-	2,722	-	-
Conti Chia Tai International Limited	49.75	49.75	353	353	165	171	1,525	1,677	-	-	1,525	1,677	-	-
Zhan Jiang Demi Carburetor Co., Ltd.	38.06	-	767	-	1,052	-	1,034	-	-	-	1,034	-	-	-
Total	21.32	-	581	-	424	-	315	-	-	-	315	-	-	-
Grand total					2,506	1,401	4,490	6,037	-	-	4,490	6,037	64	39
					23,048	14,294	30,764	23,405	-	-	30,764	23,405	1,798	1,374

The Company 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 December 2012 the fair value of this investment was Baht 129,391 million (2011: Baht 71,817 million).

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

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	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Non-marketable securities</i>											
	25.00	1,203	1,203	159	159	-	-	159	159	-	-
Nava 84 Co., Ltd.	-	-	300	-	54	-	-	-	54	-	3
Allianz C.P. General Insurance Public Company Limited	31.70	192	192	176	176	-	-	176	176	-	-
C.P. Aquaculture (India) Private Limited	25.00	1,446	1,119	493	493	-	-	493	493	-	-
C.P. Cambodia Co., Ltd.											
Total				828	882	-	-	828	882	-	3

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

The following summarised financial information of the associates as at 31 December 2012 and 2011:

(Unit: Million Baht)

	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total revenues</u>	<u>Net profit/ (loss)</u>
2012				
C.P. ALL Public Company Limited	71,798	44,812	197,816	11,023
Nava 84 Co., Ltd.	639	1	-	-
Ross Breeders Siam Co., Ltd.	200	22	257	58
Arbor Acres Thailand Co., Ltd.	466	49	522	116
C.P. Aquaculture (India) Private Limited	2,191	374	4,378	230
C.P. Cambodia Co., Ltd.	3,684	1,715	5,534	45
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	6,153	3,087	11,856	(313)
Conti Chia Tai International Limited	1,677	644	4,722	208
Zhan Jiang Deni Carburetor Co., Ltd.	589	274	829	73
Total	<u>87,397</u>	<u>50,978</u>	<u>225,914</u>	<u>11,440</u>
2011				
C.P. ALL Public Company Limited	55,341	33,642	161,890	8,013
Nava 84 Co.,Ltd.	639	1	-	(1)
Ross Breeders Siam Co., Ltd.	192	19	222	54
Allianz C.P. General Insurance Public Company Limited	14,580	14,220	1,274	(173)
Arbor Acres Thailand Co., Ltd.	449	73	442	106
C.P. Aquaculture (India) Private Limited	2,134	438	686	355
C.P. Cambodia Co., Ltd.	3	1	4	-
C.P. Vietnam Corporation	24,257	14,926	44,323	3,396
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	5,628	2,258	10,454	537
Total	<u>103,223</u>	<u>65,578</u>	<u>219,295</u>	<u>12,287</u>

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

Contingent liabilities and commitments relating to the investments in associates:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2012	2011
Group's share of the investees' commitments	4,246	5,086
Group's share of the investees' contingent liabilities	669	47

The currency denomination of investments in associates as at 31 December 2012 and 2011 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Functional currencies of each company in the Group	26,731	17,890	159	213
Foreign currencies				
- Ringgit	1,525	1,677	-	-
- Hong Kong Dollar	1,034	-	-	-
- Riel	583	578	493	493
- Rupee	576	538	176	176
- Renminbi	315	-	-	-
- Dong	-	2,722	-	-
Total	30,764	23,405	828	882

15 Investments in jointly-controlled entities

Movements of investments in jointly-control entities during the years ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
At 1 January	-	-	-	-
Jointly-controlled from business combination	3,231	-	-	-
Share of profit of jointly-controlled entities	426	-	-	-
Dividend income from jointly-controlled entities	(278)	-	-	-
Currency translation differences	(97)	-	-	-
At 31 December	3,282	-	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

Details of investments in jointly-controlled entities

Investments in jointly-controlled entities as at 31 December 2012 and 2011 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<i>Non-marketable securities</i>														
Beijing Chia Tai Feedmill Co., Ltd.	38.06	-	157	-	128	-	101	-	-	-	101	-	-	-
Handan Chia Tai Feed Co., Ltd.	38.06	-	56	-	(8)	-	18	-	-	-	18	-	-	-
Jilin Chia Tai Enterprise Co., Ltd.	38.06	-	261	-	211	-	211	-	-	-	211	-	-	-
Henan East Chia Tai Co., Ltd.	38.06	-	170	-	225	-	241	-	-	-	241	-	-	-
Luoyang Northern Ek Chor Motorcycle Co., Ltd.	41.87	-	1,773	-	1,379	-	1,361	-	-	-	1,361	-	-	-
ECI Metro Investment Co., Ltd.	38.06	-	378	-	1,296	-	1,350	-	-	-	1,350	-	-	-
Total					3,231		3,282				3,282			

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

The following summarised financial information of the jointly-controlled entities as at 31 December 2012:

(Unit : million Baht)

	Current assets	Non- current assets	Total assets	Current liabilities	Non- current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/ (loss)
2012									
Beijing Chia Tai Feedmill Co., Ltd.	184	54	238	137	-	137	1,520	(1,442)	77
Handan Chia Tai Feed Co., Ltd.	25	19	44	26	-	26	190	(163)	26
Jilin Chia Tai Enterprise Co., Ltd.	201	193	393	118	64	183	685	(679)	6
Henan East Chia Tai Co., Ltd.	345	112	457	216	-	216	1,276	(1,183)	94
Luoyang Northern Ek Chor Motorcycle Co., Ltd.	1,663	694	2,357	924	73	996	3,488	(3,362)	127
ECI Metro Investment Co., Ltd.	3,259	564	3,823	2,472	1	2,473	6,902	(6,805)	97
Total	5,677	1,636	7,312	3,893	138	4,031	14,061	(13,634)	427

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

Contingent liabilities and commitments relating to the investments in jointly-controlled entities:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2012</u>	<u>2011</u>
Group's share of the investees' commitments	12	-
Group's share of the investees' contingent liabilities	804	-

The Currency denomination of investments in jointly-controlled entities as at 31 December 2012 and 2011 was as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Foreign currencies				
- Renminbi	1,932	-	-	-
- United States Dollar	1,350	-	-	-
Total	<u>3,282</u>	<u>-</u>	<u>-</u>	<u>-</u>

16 Investments in related companies

Movements during the years ended 31 December 2012 and 2011 were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
At 1 January	1,330	844	427	144
Acquisition/additional investments	-	457	95	283
Disposal	(115)	-	(88)	-
Reversal of allowance for impairment losses	309	-	244	-
Currency translation differences	(20)	29	-	-
At 31 December	<u>1,504</u>	<u>1,330</u>	<u>678</u>	<u>427</u>

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

Details of investments in related companies

Investments in related companies as at 31 December 2012 and 2011 were as follows:

(Unit: Million Baht)

	Ownership interest (both direct and indirect)		Consolidated financial statements		Separate financial statements	
	<i>(%)</i>		2012	2011	2012	2011
	2012	2011				
<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	289	95	-
Ayudhya Allianz C.P. Life Public Company Limited	-	3.47	-	115	-	88
Chia Tai (Jilin) Co., Ltd.	10.00	10.00	5	5	-	-
Kinghill Limited	16.75	16.75	1,113	1,133	528	528
Total			1,504	1,652	678	671
Less allowance for impairment losses			-	(322)	-	(244)
Net			1,504	1,330	678	427

The currency denomination of investments in related companies as at 31 December 2012 and 2011 was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Functional currencies of each company in the Group	386	436	150	143
Foreign currency - Renminbi	1,118	894	528	284
Total	1,504	1,330	678	427

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
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17 Investment properties

Movements for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>At cost</i>				
At 1 January	823	893	204	88
Additions	-	-	-	68
Acquired through business acquisition	680	-	-	-
Transfers from property, plant and equipment	187	164	-	48
Transfer to property, plant and equipment	(4)	(147)	-	-
Portion of subsidiary disposed to third party	-	(87)	-	-
Transfers to assets held for sale	(31)	-	-	-
Impairment loss	(24)	-	-	-
Depreciation	(39)	-	-	-
Currency translation difference	(19)	-	-	-
Other	(89)	-	-	-
At 31 December	1,484	823	204	204

Appraisal prices of the Group and the Company's investment properties as at 31 December 2012 were revalued by the independent professional valuers using Market Comparison Approach, at fair market values totaling Baht 1,760 million and Baht 615 million respectively (2011: Baht 1,063 million and Baht 214 million respectively).

18 Property, plant and equipment

	<i>(Unit: Million Baht)</i> Consolidated financial statements					
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
	<i>Cost/revaluation</i>					
At 1 January 2011	13,521	32,300	30,593	4,009	3,521	83,944
Additions	529	336	1,159	478	7,795	10,297
Transfers	1	2,658	2,438	211	(5,302)	6
Revaluation difference on asset	(4)	-	-	-	-	(4)
Transfer from investment properties	147	-	-	-	-	147
Transfer to investment properties	(164)	-	-	-	-	(164)
Disposals	(1)	(575)	(1,161)	(296)	(2)	(2,035)
Currency translation differences	15	(145)	(268)	(5)	(233)	(636)
At 31 December 2011 and 1 January 2012	14,044	34,574	32,761	4,397	5,779	91,555

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements

(Unit: Million Baht)

Consolidated financial statements						
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
Additions	430	1,294	1,984	1,635	14,607	19,950
Acquired through business acquisition	115	9,832	6,340	1,142	2,132	19,561
Transfers	256	3,914	4,588	281	(9,060)	(21)
Transfers from investment properties	4	-	-	-	-	4
Increase from revaluation recognised in other comprehensive income	7,047	-	-	-	-	7,047
Increase from reversal of losses of revaluation	29	-	-	-	-	29
Transfers to leasehold rights	(69)	-	-	-	-	(69)
Transfer to investment properties	-	(107)	(82)	(52)	-	(241)
Transfers to assets held for sale	-	(370)	(532)	(110)	-	(1,012)
Disposals	(35)	(441)	(627)	(239)	-	(1,342)
Currency translation differences	3	(345)	(422)	(89)	(171)	(1,024)
At 31 December 2012	21,824	48,351	44,010	6,965	13,287	134,437
Accumulated depreciation and impairment losses						
At 1 January 2011	-	(15,722)	(18,138)	(2,942)	-	(36,802)
Depreciation charge for the year	-	(1,615)	(2,585)	(458)	-	(4,658)
Impairment loss	-	(50)	(3)	(1)	(2)	(56)
Transfers	-	(5)	-	-	-	(5)
Disposals	-	488	1,070	274	-	1,832
Currency translation differences	-	29	124	6	-	159
At 31 December 2011 and 1 January 2012	-	(16,875)	(19,532)	(3,121)	(2)	(39,530)
Depreciation charge for the year	-	(2,310)	(3,483)	(721)	-	(6,514)
Reversal of impairment loss	-	42	3	1	2	48
Transfers	-	(1)	2	(1)	-	-
Transfers to investment properties	-	(14)	31	37	-	54
Transfers to assets held for sale	-	255	483	105	-	843
Disposals	-	285	543	216	-	1,044
Currency translation differences	-	125	249	56	-	430
At 31 December 2012	-	(18,493)	(21,704)	(3,428)	-	(43,625)
Net book value						
Owned assets	13,521	16,578	12,455	1,063	3,521	47,138
Assets under finance leases	-	-	-	4	-	4
At 1 January 2011	13,521	16,578	12,455	1,067	3,521	47,142

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(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	
Owned assets	14,044	17,699	13,229	1,266	5,777	52,015
Assets under finance leases	-	-	-	10	-	10
At 31 December 2011 and 1 January 2012	14,044	17,699	13,229	1,276	5,777	52,025
Owned assets	21,824	29,858	22,306	3,521	13,287	90,796
Assets under finance leases	-	-	-	16	-	16
At 31 December 2012	21,824	29,858	22,306	3,537	13,287	90,812

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 25,436 million (2011: Baht 20,276 million).

Guarantees

At 31 December 2012 the Group's properties with a net book value of Baht 1,406 million (2011: Baht 36 million) were pledged as collateral for its borrowings from financial institutions (see note 24 to the financial statements).

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factories totaled Baht 280 million (2011: Baht 94 million).

(Unit: Million Baht)

	Separate financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	
Cost/reevaluation						
At 1 January 2011	3,986	14,390	12,955	1,269	572	33,172
Additions	155	39	522	150	2,460	3,326
Transfers	-	494	942	62	(1,502)	(4)
Disposals	-	(309)	(465)	(81)	(1)	(856)
Transfers to investment properties	(48)	-	-	-	-	(48)
At 31 December 2011 and 1 January 2012	4,093	14,614	13,954	1,400	1,529	35,590

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(Unit: Million Baht)

	Separate financial statements					Total
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Other	Assets under construction and installation	
Additions	202	45	439	108	3,530	4,324
Transfers	-	1,206	1,500	51	(2,756)	1
Increase from revaluation recognised in comprehensive income	1,297	-	-	-	-	1,297
Increase from reversal of loss of revaluation	7	-	-	-	-	7
Disposals	-	(196)	(324)	(26)	-	(546)
Transfers to assets held for sale	-	(9)	(59)	(31)	-	(99)
Transfers under common control	(1,102)	(5,518)	(5,699)	(479)	(239)	(13,037)
At 31 December 2012	4,497	10,142	9,811	1,023	2,064	27,537
<i>Accumulated depreciation and impairment losses</i>						
At 1 January 2011	-	(6,822)	(7,404)	(990)	-	(15,216)
Depreciation charge for the year	-	(794)	(1,103)	(131)	-	(2,028)
Loss on impairment	-	(44)	(3)	(1)	(2)	(50)
Disposals	-	276	424	79	-	779
At 31 December 2011 and 1 January 2012	-	(7,384)	(8,086)	(1,043)	(2)	(16,515)
Depreciation charge for the year	-	(637)	(1,036)	(129)	-	(1,802)
Reversal of impairment loss	-	35	3	1	2	41
Disposals	-	177	299	27	-	503
Transfers to assets held for sale	-	9	59	31	-	99
Transfers under common control	-	2,697	3,484	382	-	6,563
At 31 December 2012	-	(5,103)	(5,277)	(731)	-	(11,111)
<i>Net book value</i>						
Owned assets	3,986	7,568	5,551	279	572	17,956
At 1 January 2011	3,986	7,568	5,551	279	572	17,956
Owned assets	4,093	7,230	5,868	357	1,527	19,075
At 31 December 2011 and 1 January 2012	4,093	7,230	5,868	357	1,527	19,075
Owned assets	4,497	5,039	4,534	292	2,064	16,426
At 31 December 2012	4,497	5,039	4,534	292	2,064	16,426

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The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 5,002 million (2011: Baht 7,056 million).

Revaluation of the Group's land

In the fourth quarter of 2012, the Group revalued the land used in operations which has acquired before 2012. The Group employed the independent appraisal to revalue the land by using Market Comparison Approach which comparing other similar properties in the open market and a willing buyer and a willing seller are in an arm's length transaction.

The carrying amount of the revalued land would have been recognised under cost method totaled Baht 11,723 million in the consolidated financial statements and Baht 2,903 million in separate financial statements.

The increase in the net value of land totaling Baht 7,047 million in the consolidated statement of financial position as at 31 December 2012 and the revaluation surplus of the Group and of the Company's portion in the surplus of subsidiaries calculated from the percentage shareholding in such subsidiaries totaling Baht 5,460 million (net of income tax) were presented as "Revaluation increment in land" in the statement of other comprehensive income for the year then ended.

The increase in the net value of land totaling Baht 1,297 million in the separate statement of financial position as at 31 December 2012 and the revaluation surplus of the Company totaling Baht 1,038 million (net of income tax) were presented as "Revaluation increment in land" in the statement of other comprehensive income for the year then ended.

The revaluation surplus in land is not available for dividend distribution.

19 Goodwill

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		2012	2011	2012	2011
<i>Cost</i>					
	At 1 January	418	442	-	-
	Acquired through business acquisition	55,986	-	-	-
	Disposals	(2)	-	-	-
	Currency translation differences	(1,610)	(24)	-	-
	At 31 December	54,792	418	-	-
<i>Impairment losses</i>					
	At 1 January	-	-	-	-
	Impairment loss	-	-	-	-
	Disposals	-	-	-	-
	At 31 December	-	-	-	-
<i>Net book value</i>					
	At 1 January	418	442	-	-
	At 31 December	54,792	418	-	-

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20 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements			
	Development cost of software applications	Trademarks	Other	Total
Cost				
At 1 January 2011	185	-	589	774
Additions	7	-	117	124
Transfers	(15)	-	(38)	(53)
Currency translation differences	-	-	4	4
At 31 December 2011 and 1 January 2012	177	-	672	849
Additions	20	-	119	139
Acquired through business acquisition	-	4,417	70	4,487
Transfers	-	-	22	22
Currency translation differences	-	(106)	(4)	(110)
At 31 December 2012	197	4,311	879	5,387
Accumulated amortisation				
At 1 January 2011	(97)	-	(246)	(343)
Amortisation charge for the year	(16)	-	(65)	(81)
At 31 December 2011 and 1 January 2012	(113)	-	(311)	(424)
Amortisation charge for the year	(17)	(558)	(87)	(662)
At 31 December 2012	(130)	(558)	(398)	(1,086)
Net book value				
At 1 January 2011	88	-	343	431
At 31 December 2011 and 1 January 2012	64	-	361	425
At 31 December 2012	67	3,753	481	4,301

The gross amount of the Group's fully amortised intangible assets that was still in use as at 31 December 2012 amounted to Bah 69 million (2011: Baht 37 million).

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(Unit: Million Baht)

		Separate financial statements		
		Development cost of software applications	Other	Total
	<i>Note</i>			
Cost				
At 1 January 2011		7	64	71
Additions		-	14	14
Transfers		-	4	4
At 31 December 2011 and 1 January 2012		7	82	89
Additions		-	16	16
Transfers		-	(1)	(1)
Transfers under common control	6	-	(13)	(13)
At 31 December 2012		7	84	91
Accumulated amortisation				
At 1 January 2011		(2)	(24)	(26)
Amortisation charge for the year		(1)	(7)	(8)
At 31 December 2011 and 1 January 2012		(3)	(31)	(34)
Amortisation charge for the year		(1)	(7)	(8)
At 31 December 2012		(4)	(38)	(42)
Net book value				
At 1 January 2011		5	40	45
At 31 December 2011 and 1 January 2012		4	51	55
At 31 December 2012		3	46	49

The gross amount of the Company's fully amortised intangible assets that was still in use as at 31 December 2012 amounted to Baht 5 million (2011: Baht 5 million).

21 Restricted deposits at financial institutions

As at 31 December 2012 certain subsidiaries had restricted deposits at financial institutions totaling Baht 220 million in order to comply with conditions for using credit facilities of foreign financial institutions (2011: Baht 102 million).

22 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2012 and 2011 were as follows:

	Consolidated		separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Deferred tax assets	787	1,406	-	130
Deferred tax liabilities	(5,072)	(1,695)	(83)	-
Net deferred tax assets (liabilities)	(4,285)	(289)	(83)	130

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Movements of deferred tax assets and liabilities during the years ended 31 December 2012 and 2011 were as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	At 1 January 2012 (as previously reported)	Impact of changes in accounting policy (Note 3)	At 1 January 2012 (restated)	Profit or loss	Charged/Credited to Other Comprehensive Income	Equity	Acquired in business combination	At 31 December 2012
Deferred tax assets (liabilities)								
Biological assets	-	(44)	(44)	(36)	-	-	(328)	(408)
Available-for-sale investments	(72)	-	(72)	(17)	(192)	-	-	(281)
Investments in associates	(11)	-	(11)	1	-	-	-	(10)
Investments	25	-	25	56	-	-	-	81
Tax losses	340	-	340	622	-	-	71	1,033
Other intangible assets	-	-	-	166	-	-	(1,083)	(917)
Land	(318)	-	(318)	-	(1,310)	-	-	(1,628)
Fair value adjustment of assets acquired in business combination	(911)	-	(911)	238	-	-	(1,801)	(2,474)
Employee benefit obligations	866	-	866	(195)	(26)	-	2	647
Other	(208)	(1)	(209)	(1)	-	-	(118)	(328)
Net	(289)	(45)	(334)	834	(1,528)	-	(3,257)	(4,285)

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(Unit: Million Baht)

	Consolidated financial statements					
	At 1 January 2011 (as previously reported)	Impact of changes in accounting policy (Note 3)	At 1 January 2011 (restated)	Profit or loss	Charged/Credited to Other Comprehensive Income	Equity
						Acquired in business combination
Deferred tax assets (liabilities)						
Biological assets	-	(32)	(32)	(12)	-	-
Available-for-sale investments	(150)	-	(150)	-	78	-
Investments in associates	(416)	-	(416)	401	4	-
Investments	211	-	211	(186)	-	-
Tax losses	117	-	117	223	-	-
Land	(573)	-	(573)	-	255	-
Fair value adjustment of assets acquired in business combination	(1,212)	-	(1,212)	301	-	-
Employee benefit obligations	1,159	-	1,159	(293)	-	-
Other	(94)	-	(94)	(187)	125	(8)
Net	(958)	(32)	(990)	247	462	(8)
						At 31 December 2011

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(Unit: Million Baht)

Separate financial statements						
At 1 January 2012 (as previously reported)	Impact of changes in accounting policy (Note 3)	At 1 January 2012 (restated)	Charged/Credited to (Note 3/6) Other Comprehensive Income	Profit or loss	Deduction from partial business transfer	At 31 December 2012
Deferred tax assets (liabilities)						
Investments	-	50	-	(49)	-	1
Land	-	(169)	(259)	-	109	(319)
Employee benefit obligations	-	273	-	22	(52)	243
Other	(4)	(24)	-	16	-	(8)
Net	(4)	130	(259)	(11)	57	(83)

(Unit: Million Baht)

Separate financial statements						
At 1 January 2011 (as previously reported)	Impact of changes in accounting policy (Note 3)	At 1 January 2011 (restated)	Charged/Credited to (Note 3/6) Other Comprehensive Income	Profit or loss	Deduction from partial business transfer	At 31 December 2011
Deferred tax assets (liabilities)						
Investments	-	129	-	(79)	-	50
Land	-	(254)	85	-	-	(169)
Employee benefit obligations	-	367	-	(94)	-	273
Other	(4)	33	-	(57)	-	(24)
Net	(4)	275	85	(230)	-	130

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As at 31 December 2012 the Group had temporary differences arising from the unutilised tax losses carry forward which have not been recognised as deferred tax assets in the statement of financial position totaling Baht 8,515 million (2011: Baht 6,437 million) because it is not probable that it will be able to utilise the tax benefit in the foreseeable future.

23 Leasehold rights prepayment

Movements for the years ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
At 1 January	52	50	-	-
Additions	234	-	-	-
Acquired through business acquisition	4,396	-	-	-
Transfers from property, plant and equipment	69	-	-	-
Amortisation	(159)	(3)	-	-
Decrease	(241)	-	-	-
Currency translation difference	(114)	5	-	-
At 31 December	4,237	52	-	-

24 Interest-bearing liabilities

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
<i>Current</i>					
Overdrafts		8	348	4	4
Bill of exchange		4,951	-	4,951	-
Promissory notes		6,630	-	1,600	-
Short-term borrowings from financial institutions		25,371	13,614	-	-
Packing credits		6,463	4,530	2,541	713
Liabilities under trust receipts		9,188	4,404	410	-
Total		52,611	22,896	9,506	717
Short-term borrowings from related companies	7	220	-	400	50
Current portion of long-term debts					
Long-term borrowings from financial institutions		4,061	3,184	1,200	1,900
Debentures		5,200	2,500	5,200	2,500
Liabilities under finance leases		5	3	-	-
Total		9,266	5,687	6,400	4,400
Current portion of long-term loan from related company	7	40	-	-	-
Total current		62,137	28,583	16,306	5,167

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		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Non-current					
Long-term debts					
	Long-term borrowings from financial institutions	30,680	3,458	3,760	1,900
	Debentures	53,356	37,400	53,356	37,400
	Liabilities under finance leases	9	8	-	-
	Total	<u>84,045</u>	<u>40,866</u>	<u>57,116</u>	<u>39,300</u>
	Long-term borrowings from related company	21	-	-	-
	Total non-current	<u>84,066</u>	<u>40,866</u>	<u>57,116</u>	<u>39,300</u>
	Grand total	<u>146,203</u>	<u>69,449</u>	<u>73,422</u>	<u>44,467</u>

The currency denomination of interest-bearing liabilities as at 31 December 2012 and 2011 was as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Functional currencies of each company in the Group	114,221	67,007	70,362	44,280
	Foreign currencies				
	- United States Dollar	31,881	2,033	3,060	187
	- Euro	101	409	-	-
	Total	<u>146,203</u>	<u>69,449</u>	<u>73,422</u>	<u>44,467</u>

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2012 and 2011 were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Within one year	62,132	28,580	16,306	5,167
	After one year but within five years	39,898	19,834	26,020	18,300
	After five years	44,063	21,024	31,000	21,000
	Total	<u>146,093</u>	<u>69,438</u>	<u>73,326</u>	<u>44,467</u>

The Group has secured interest-bearing liabilities as at 31 December 2012 totaling Baht 25,828 million (2011: Baht 96 million). Value of assets used for secured interest-bearing liabilities totaled Baht 31,014 million (2011: Baht 36 million).

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Long-term borrowings from financial institutions

As at 31 December 2012 the Group had significant borrowing agreements as follows:

The first agreement

On 1 March 2012 a foreign subsidiary, CPF Investment Limited (“CPFI”) entered into a secured long-term borrowing agreement with local and foreign financial institutions. Details are as follows:

<u>Borrowing agreement</u>	<u>Approved credit facilities</u>	<u>Interest rate (% per annum)</u>	<u>Term of payment</u>
Facility 1	U.S. Dollar 277.50 million (equivalent approximately Baht 8,487 million)	Floating interest rate at 3-month LIBOR plus 3.50% per annum	Every 6 months for 5 years
Facility 2	U.S. Dollar 462.50 million (equivalent approximately Baht 14,144 million)	Floating interest rate at 3-month LIBOR plus 3.50% per annum for year 1 to year 5 and 3-month LIBOR plus 4.00% per annum for year 6 and year 7	Every 6 months for 7 years

CPFI has drawdown the above long-term borrowing facilities totaling U.S. Dollar 740 million (equivalent approximately Baht 22,631 million as at 31 December 2012) to pay for the shares of C.P. Pokphand Company Limited (“CPP”) whose shares are listed in the Stock Exchange of Hong Kong (see note 5 to the financial statements).

CPFI must pledge CPP shares as collateral for the above borrowings and must comply with the specific covenants such as to maintain debt to equity ratio not exceeding 1.5:1 etc.

As at 31 December 2012 CPFI pledged 6,957 million shares of CPP with the fair value of Baht 26,059 million.

The second agreement

On 2 July 2012 CPFI entered into a secured long-term borrowing agreement with a foreign financial institution which has a branch in Thailand as follows:

<u>Approved credit facilities</u>	<u>Interest rate (% per annum)</u>	<u>Term of payment</u>
U.S. Dollar 100.00 million (equivalent approximately Baht 3,058 million)	Floating interest rate at 3-month BBA LIBOR plus 3.25% per annum	1st installment: 10% (36th month after the first Drawdown date) 2st installment: 10% (42th month after the first Drawdown date) 3st installment: 10% (48th month after the first Drawdown date) 4st installment: 10% (54th month after the first Drawdown date) 5st installment: 60% (60th month after the first Drawdown date)

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CPFI has drawdown the above long-term borrowing facilities totaling U.S. Dollar 100 million (equivalent approximately Baht 3,058 million as at 31 December 2012) for finance investment and general corporate operation.

CPFI must pledge CPP shares as collateral for the above borrowing and must comply with the specific covenants such as to maintain debt to equity ratio not exceeding 2:1 etc.

As at 31 December 2012 CPFI pledged 880 million shares of CPP with the fair value of Baht 3,296 million.

Debentures

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Debentures #1/2007	-	2,500	-	2,500
Debentures #1/2008	3,000	3,000	3,000	3,000
Debentures #1/2009	8,400	8,400	8,400	8,400
Debentures #2/2009	1,000	1,000	1,000	1,000
Debentures #1/2010	1,000	1,000	1,000	1,000
Debentures #2/2010	8,000	8,000	8,000	8,000
Debentures #1/2011	10,000	10,000	10,000	10,000
Debentures #2/2011	6,000	6,000	6,000	6,000
Debentures #1/2012*	6,156	-	6,156	-
Debentures #2/2012	15,000	-	15,000	-
Total	58,556	39,900	58,556	39,900
<i>Less current portion</i>	<i>(5,200)</i>	<i>(2,500)</i>	<i>(5,200)</i>	<i>(2,500)</i>
Net	53,356	37,400	53,356	37,400

* See note 40 to the financial statement

Debenture # 1/2007

On 19 October 2007 the Company issued Baht 6 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3.5 billion with the term of 3 years, fully repayable on 19 October 2010 and bearing interest at the fixed rate of 4.25% per annum.
- The second series of Baht 2.5 billion with the term of 5 years, fully repayable on 19 October 2012 and bearing interest at the fixed rate of 4.90% per annum.

The second series of debentures have a credit rating of "AA-" latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association and the Stock Exchange of Thailand on 19 October 2007 and 14 November 2007 respectively.

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Debenture # 1/2008

On 15 August 2008 the Company issued Baht 6 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3 billion with the term of 3 years, fully repayable on 15 August 2011 and bearing interest at the fixed rate of 5.15% per annum.
- The second series of Baht 3 billion with the term of 5 years, fully repayable on 15 August 2013 and bearing interest at the fixed rate of 5.70% per annum.

The second series of debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 15 August 2008.

Debenture # 1/2009

On 25 November 2009 the Company issued Baht 8.4 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2.2 billion with the term of 4 years, fully repayable on 25 November 2013 and bearing interest at the fixed rate of 3.90% per annum.
- The second series of Baht 3.2 billion with the term of 5 years, fully repayable on 25 November 2014 and bearing interest at the fixed rate of 4.30% per annum.
- The third series of Baht 3 billion with the term of 6 years, fully repayable on 25 November 2015 and bearing interest at the fixed rate of 4.80% per annum.

The debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 25 November 2009.

Debenture # 2/2009

On 22 December 2009 the Company issued Baht 1 billion unsubordinated and unsecured debenture in registered name form with the terms of 5 years 5 months and 8 days, fully repayable on 30 May 2015 and bearing interest at the fixed rate of 4.40% per annum.

The debenture was registered with the Thai Bond Market Association on 22 December 2009.

Debenture # 1/2010

On 11 February 2010 the Company issued Baht 1 billion unsubordinated and unsecured debentures in registered name form with the terms of 5 years 3 months and 19 days, fully repayable on 30 May 2015 and bearing interest at the fixed rate of 4.20% per annum.

The debentures were registered with the Thai Bond Market Association on 11 February 2010.

Debenture # 2/2010

On 3 November 2010 the Company issued Baht 8 billion unsubordinated and unsecured debentures in registered name form divided into:

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- The first series of Baht 3 billion with the term of 4 years, fully repayable on 3 November 2014 and bearing interest at the fixed rate of 3.00% per annum in the first to third year and 4.00% per annum in the fourth year
- The second series of Baht 5 billion with the term of 7 years, fully repayable on 3 November 2017 and bearing interest at the fixed rate of 3.00% per annum in the first to third year, 4.00% per annum in the fourth to fifth year and 5.00% per annum in the sixth to seventh year.

The debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 3 November 2010.

Debenture # 1/2011

On 19 August 2011 the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series not exceeding Baht 3 billion with the term of 7 years, and bearing interest at the fixed rate of 4.65% per annum.
- The second series not exceeding Baht 3 billion with the term of 10 years, and bearing interest at the fixed rate of 4.87% per annum.
- The third series of Baht 4 billion with the term of 30 years, and bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right as at the end of year 15.

The debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 19 August 2011.

Debenture # 2/2011

On 21 December 2011 the Company issued Baht 6 billion unsubordinated and unsecured debenture in registered name form with the terms of 30 years, and bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right as at the end of year 15.

The debentures have a credit rating of “AA-” rated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 21 December 2011.

Debenture # 1/2012

On 15 March 2012 the Company issued Baht 6,060 million unsubordinated and unsecured debentures in registered name form with the terms of 4 years, fully repayable on 15 March 2016 and bearing interest at the fixed rate of 4.17% per annum.

The debentures have a credit rating of “AA-” latest updated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 15 March 2012.

Debenture # 2/2012

On 3 August 2012 the Company issued Baht 15 billion unsubordinated and unsecured debentures in registered name form. The debentures are divided into:

- The first series of Baht 6 billion with the term of 7 years, fully repayable on 3 August 2019 and bearing interest at the fixed rate of 4.35% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the seventh year.

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- The second series of Baht 4 billion with the term of 10 years, fully repayable on 3 August 2022 and bearing interest at the fixed rate of 4.40% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the ninth year and 6.00% per annum in the tenth year.
- The third series of Baht 5 billion with the term of 20 years, fully repayable on 3 August 2032 and bearing interest at the fixed rate of 5.30% per annum.

The debentures have a credit rating of “AA-” rated by TRIS Rating Co., Ltd. on 18 July 2012 and were registered with the Thai Bond Market Association on 3 August 2012.

The Company must comply with the specific covenants such as to maintain debt to equity ratio in the semi-annual and annual consolidated and separate financial statements through the terms of debentures, etc.

25 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Related parties	7	2,065	1,101	385	1,025
Other parties		18,555	10,632	1,704	2,885
Total		<u>20,620</u>	<u>11,733</u>	<u>2,089</u>	<u>3,910</u>

The currency denomination of accounts payable - trade and others as at 31 December 2012 and 2011 was as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functional currencies of each company in the Group		17,768	10,647	2,067	3,855
Foreign currencies					
- United States Dollar		2,543	927	22	51
- Other		309	159	-	4
Total		<u>20,620</u>	<u>11,733</u>	<u>2,089</u>	<u>3,910</u>

26 Employee benefit obligations

The Group has defined benefit plans for employee’s retirement based on the requirement of Labour law of each country.

A foreign subsidiary established a retirement fund with a financial institution, and the retirement fund is managed by the financial institution.

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Employee benefit obligations as at 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Present value of funded - defined benefit obligations	595	752	-	-
Fair value of plan assets	(71)	(59)	-	-
	524	693	-	-
Present value of unfunded - defined benefit obligations	4,492	4,040	1,367	1,477
Total	5,016	4,733	1,367	1,477

Movements in the present value of the defined benefit obligations and the fair value of plan assets for the year ended 31 December 2012 and 2011 were as follows:

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i>	
		financial statements		Separate	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligations at 1 January		4,792	4,423	1,477	1,343
Benefits received (paid) by the plans		(199)	(130)	2	(14)
Current service costs and interest		567	501	147	148
Decreased from business transferred to subsidiary	6	-	-	(259)	-
Increased from business acquisition		86	-	-	-
Currency translation differences		8	(29)	-	-
Defined benefit plan actuarial (gains) losses		(167)	27	-	-
Defined benefit obligations at 31 December		5,087	4,792	1,367	1,477
Fair value of plan assets at 1 January		59	46	-	-
Expected return on plan assets		1	1	-	-
Contribution paid		23	17	-	-
Benefits paid by the plans		(12)	(6)	-	-
Currency translation differences		-	1	-	-
Fair value of plan assets at 31 December		71	59	-	-

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Expenses or income recognised in statement of income for the year ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2012	2011	2012	2011
Recognised transitional obligations				
Current service costs	342	285	98	99
Interest costs	225	216	49	49
Expected return on plan assets	(1)	(1)	-	-
Total	566	500	147	148

Expenses classified by function were recognised in the statement of income for the year ended 31 December 2012 and 2011 as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2012	2011	2012	2011
Cost of sales of goods	277	247	71	75
Selling expenses	68	67	16	14
Administrative expenses	221	186	60	59
Total	566	500	147	148
Actual return on plan assets	1	1	-	-

Actuarial gains (losses) recognised in other comprehensive income for the year ended 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2012	2011	2012	2011
At 1 January	23	-	-	-
Recognised during the year	113	(23)	-	-
At 31 December	136	(23)	-	-

Principal actuarial assumptions at 31 December 2012 and 2011 were as follows:

	Consolidated		<i>(Unit: %)</i>	
	financial statements		Separate	
	2012	2011	2012	2011
Discount rate	1.50 - 10.00	2.25 - 10.30	3.70	3.70
Return on plan assets	1.50	2.00	-	-
Future salary increases	4.00 - 8.00	4.00 - 10.00	4.00 - 8.00	4.00 - 8.00

Assumptions regarding future mortality are based on mortality tables of each country.

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27 Share capital

(Unit: Million Shares/Million Baht)

	<i>Par value per share (in Baht)</i>	Consolidated financial statements/ Separate financial statements			
		2012		2011	
		Number of shares	Baht	Number of shares	Baht
Authorised					
At 1 January					
- ordinary shares	<i>1</i>	8,207	8,207	8,207	8,207
Reduction of shares	<i>1</i>	(687)	(687)	-	-
Reduction by cancelling unissued treasury shares	<i>1</i>	(471)	(471)	-	-
Increase of new ordinary shares	<i>1</i>	694	694	-	-
At 31 December					
- ordinary shares	<i>1</i>	<u>7,743</u>	<u>7,743</u>	<u>8,207</u>	<u>8,207</u>
Issued and paid-up					
At 1 January					
- ordinary shares	<i>1</i>	7,520	7,520	7,520	7,520
Reduction by cancelling unissued treasury shares	<i>1</i>	(471)	(471)	-	-
Increase of new ordinary shares	<i>1</i>	694	694	-	-
At 31 December					
- ordinary shares	<i>1</i>	<u>7,743</u>	<u>7,743</u>	<u>7,520</u>	<u>7,520</u>

At the extraordinary shareholders' meeting of the Company held on 18 January 2012, the Company's shareholders passed a resolution to approve the following related transactions relating to the business acquisitions (see note 5 to the financial statements) as follows:

- Approval of the reduction of the registered capital of the Company by Baht 686,726,174 from Baht 8,206,664,000 to Baht 7,519,937,826 by cancelling 686,726,174 authorised but unissued shares with a par value of Baht 1 per share.
- Approval of the increase of the registered capital of the Company by Baht 694,004,106 from Baht 7,519,937,826 (after reduction of the above registered capital) to Baht 8,213,941,932 by issuing of 694,004,106 new ordinary shares with a par value of Baht 1 per share to Orient Success International Limited.

On the maturity date of the treasury share resale period on 27 February 2012, the Company has undertaken to decrease the paid-up share capital by Baht 471,000,000 from Baht 7,519,937,826 to Baht 7,048,937,826 by cancelling 471,000,000 unissued shares with a par value of Baht 1 per share. The Company registered this reduction with the Ministry of Commerce on 29 February 2012. Therefore, the authorised and paid-up share capital of the Company were Baht 7,742,941,932 and Baht 7,048,937,826 respectively.

On 8 March 2012 the Company issued new ordinary shares by 694,004,106 shares with a par value of Baht 1 per share to Orient Success International Limited by registering paid-up shares capital by Baht 694,004,106. Therefore, the authorised and paid-up share capital of the Company were Baht 7,742,941,932.

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28 Treasury shares and treasury shares reserve

Treasury shares as at 31 December 2012 and 2011 consist of:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Share repurchase program for financial management	-	1,629	-	1,629
Ordinary shares of the Company held by subsidiaries	<u>1,135</u>	<u>1,226</u>	<u>-</u>	<u>-</u>
Total	<u>1,135</u>	<u>2,855</u>	<u>-</u>	<u>1,629</u>

Treasury shares and treasury shares reserve for financial management

At the Board of Directors' meeting of the Company held on 13 August 2008, the Company's Board of Directors resolved to approve the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Limited Company Act (No. 2) B.E. 2544 in the amount not exceeding Baht 3 billion. The number of ordinary shares to be repurchased is 751.99 million shares (par value of Baht 1 per share); equal to 10% of the total number of paid-up share capital of the Company. In this regard, the Company repurchased its ordinary shares during the period from 28 August 2008 to 27 February 2009 of 471,000,000 shares for a total consideration of Baht 1,629 million. The Board of Directors have to approve the share resale procedures. The last date of the share resale is 27 February 2012. At the Board of Directors' meeting of the Company held on 25 November 2011, the Company's Board of Directors approved the reduction of paid-up share capital by cancelling 471,000,000 shares but not issued shares in accordance with the share resale procedures regarding to the sale and cancelling of treasury shares of the Company in 2001 at the last date of the share resale (27 February 2012).

During the first quarter of 2012, a subsidiary ("CPF (Thailand) Public Company Limited") sold its 38,000,000 treasury shares and had a gain on sale net of income tax expense of Baht 932 million, which is presented as a premium on ordinary shares in the consolidated financial statement.

29 Additional paid-in capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

Other components of equity

Revaluation differences on assets

Revaluation differences on assets recognised in the equity relate to cumulative surpluses arising from the revaluations of freehold land, buildings and equipment until such assets are disposed.

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Equity in associates

Equity in associates consist of:

- (a) The change in equity of net assets of associates when the associates offer the incremental ordinary shares to other parties at the price higher than net assets value of associates.
- (b) Revaluation differences on assets

Currency translation differences

The currency translation differences recognised in equity relate to:

- (a) Foreign exchange differences arise from translation of the financial statements of foreign operations to Thai Baht.
- (b) Foreign exchange differences arise from translation of monetary items, which are part of the Group's net investment in foreign operations and certain conditions are met.

Fair value changes on investments

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the disposal of investments.

Revaluation differences on assets, equity in associates, currency translation differences and fair value changes on investments are presented net of deferred tax liabilities.

Surplus on common control transactions

Surplus on common control transactions recognised in equity relate to differences between the carrying amount of net assets and the consideration received from the transfer of the carrying amounts of assets and liabilities of livestock business to a subsidiary, (see note 6 to the financial statements). In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

Appropriate of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. Legal reserve is not available for dividend distribution.

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Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Company. Treasury shares reserve is not available for dividend distribution.

30 Segment information

Segment information is presented in respect of the Group's business and geographic segments as the primary and secondary formats respectively and are based on the Group's management and internal financial reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1 : Livestock business
Segment 2 : Aquaculture business

Detail of the business segment financial information of the Group as at 31 December 2012 and 2011 and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2012	2011	2012	2011	2012	2011
Revenue from sale of goods	289,392	154,031	67,783	52,068	357,175	206,099
Operating profit	8,204	10,894	6,198	7,837	14,402	18,731
Central income (expenses), net					11,583	(1,223)
Finance costs					(6,377)	(2,432)
Net foreign exchange gain (loss)					(52)	196
Share of profit of associates					4,138	3,863
Income tax expense					(2,675)	(2,898)
Profit for the year					21,019	16,237
Property, plant and equipment and intangible assets (excluded goodwill), net	65,712	35,590	28,208	16,544	93,920	52,134
Central assets, net					1,193	368
Other assets					215,431	108,004
Total assets					310,544	160,506

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Geographic segments

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographic location of the assets.

The Group comprises the following main geographic locations:

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

Detail of the geographic segment financial information of the Group as at 31 December 2012 and 2011 and for the years then ended were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements			
	Revenue from external customers		Property, plant and equipment and intangible assets (excluded goodwill) and central assets	
	2012	2011	2012	2011
Thailand	128,375	125,556	49,110	39,087
Asia	192,157	46,803	42,694	8,151
Europe	32,454	29,806	3,276	5,231
America	3,184	3,197	32	33
Other	1,005	737	1	-
Total	357,175	206,099	95,113	52,502

31 Selling expenses

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Employee benefit expenses	6,569	3,206	634	608
Vehicle and traveling expenses	2,332	627	168	161
Advertising and sale promotion expenses	1,536	1,307	80	69
Transportation expenses	1,504	459	19	11
Depreciation and amortisation	914	299	5	6
Office expenses	799	486	16	25
Building and equipment rental fees	703	570	17	16
Other	819	418	43	51
Total	15,176	7,372	982	947

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32 Administrative expenses

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Employee benefit expenses	10,799	7,620	2,449	2,309
Professional and other services fees	1,386	386	414	327
Office expenses	1,348	737	335	262
Vehicle and traveling expenses	1,021	567	146	141
Depreciation and amortisation	867	345	105	401
Taxes, government and bank fees and other	597	218	55	29
Public relationship expenses	590	393	322	283
Building and equipment rental fees	427	307	107	103
Other	1,049	964	303	284
Total	18,084	11,537	4,236	4,139

33 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of directors' remuneration, sub-committees' remuneration and salaries and other benefit expenses of management totaling Baht 502 million and Baht 217 million in the consolidated and separate statements of income for the year ended 31 December 2012 respectively (*2011: Baht 532 million and Baht 234 million respectively*).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totaling Baht 34,248 million and Baht 7,341 million in the consolidated and separate statements of income for the year ended 31 December 2012 respectively (*2011: Baht 22,588 million and Baht 7,332 million respectively*).

34 Expenses by nature

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Changes in inventories of finished goods, work in progress and biological assets	(4,706)	(4,655)	2,156	(1,424)
Raw materials and consumables used	256,465	137,611	26,477	42,190
Employee benefit expenses	34,873	23,120	7,558	7,566
Office expenses	24,310	11,697	7,292	5,430
Transportation expenses	10,068	6,777	2,187	1,885
Depreciation and amortisation	7,837	5,170	1,815	2,347
Vehicle and traveling expenses	4,511	2,093	606	636
Building and equipment rental fees	2,844	1,756	499	528
Advertising, public relationship and sale promotion expenses	2,133	1,709	402	352
Professional fees	2,071	925	512	463
Taxes, government and bank fees	1,029	430	81	58
Others	7,663	4,764	315	415
Total cost of sales of goods, selling expenses and administrative expenses	349,098	191,397	49,900	60,446

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35 Finance costs

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Finance cost paid to:				
Subsidiaries	-	-	55	1
Other parties	6,378	2,432	2,874	1,769
Total	<u>6,378</u>	<u>2,432</u>	<u>2,929</u>	<u>1,770</u>

36 Income tax expense (income)

Income tax recognised in profit and loss

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<i>Current tax</i>				
Current year	3,549	3,118	40	31
Under (over) provided in prior years	(40)	27	1	-
	<u>3,509</u>	<u>3,145</u>	<u>41</u>	<u>31</u>
<i>Deferred income tax</i>				
Movements in temporary differences	(212)	(95)	11	78
Income tax reduction	-	90	-	152
Benefit of tax losses recognised	(622)	(242)	-	-
	<u>(834)</u>	<u>(247)</u>	<u>11</u>	<u>230</u>
Income tax expense excluding income tax distribution to equity holders	<u>2,675</u>	<u>2,898</u>	<u>52</u>	<u>261</u>
<i>Attributable to:</i>				
Income tax on gain from partial business transfer under common control	-	-	(57)	-
Net	<u>2,675</u>	<u>2,898</u>	<u>(5)</u>	<u>261</u>

Income tax recognised in other comprehensive income

	<i>(Unit: Million Baht)</i> Consolidated financial statements					
	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Revaluation differences on assets	6,947	(1,310)	5,637	(7)	249	242
Equity in associates	(69)	-	(69)	(20)	-	(20)
Fair value changes on investments	1,085	(192)	893	(235)	234	(1)
Currency translation differences	(1,263)	-	(1,263)	(369)	(26)	(395)
Defined benefit plan actuarial losses	167	(26)	141	(27)	5	(22)
Total	<u>6,867</u>	<u>(1,528)</u>	<u>5,339</u>	<u>(658)</u>	<u>462</u>	<u>(196)</u>

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(Unit: Million Baht)

	Separate financial statements					
	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Revaluation differences on assets	1,297	(259)	1,038	-	85	85
Total	1,297	(259)	1,038	-	85	85

Income tax recognised directly in equity

(Unit: Million Baht)

	Consolidated financial statements					
	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Surplus on sale of treasury shares held by subsidiary	1,210	(278)	932	-	-	-
Total	1,210	(278)	932	-	-	-

(Unit: Million Baht)

	Separate financial statements					
	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Surplus on common control transactions (Note 6)	428	1	429	-	-	-
Total	428	1	429	-	-	-

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Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Consolidated financial statements						Total		
	0%	10%	11.5%	15%	20%	23%		30%	Other
2012									
Accounting profit before income tax, net	2,994	(3)	(269)	-	11	14,535	-	6,426	23,694
Tax at the applicable tax rates	-	-	(31)	-	2	3,343	-	1,765	5,079
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	-	31	-	(227)	(2,285)	-	35	(2,446)
Income tax reduction	-	-	-	-	-	42	-	-	42
Net	-	-	-	-	(225)	1,100	-	1,800	2,675
2011									
Accounting profit before income tax, net	6,835	13	-	(270)	-	-	11,534	1,023	19,135
Tax at the applicable tax rates	-	1	-	(41)	-	-	3,460	450	3,870
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	-	-	39	-	-	(1,272)	184	(1,049)
Income tax reduction	-	-	-	-	-	-	77	-	77
Net	-	1	-	(2)	-	-	2,265	634	2,898

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Reconciliation of effective tax rate

	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	0%	23%	30%	Total
2012				
Accounting profit before income tax, net	931	7,116	-	8,047
Tax at the applicable tax rates	-	1,637	-	1,637
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(1,645)	-	(1,645)
Income tax reduction	-	3	-	3
Net	-	(5)	-	(5)
2011				
Accounting profit before income tax, net	2,983	-	9,998	12,981
Tax at the applicable tax rates	-	-	2,999	2,999
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	-	(2,890)	(2,890)
Income tax reduction	-	-	152	152
Net	-	-	261	261

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Income tax reduction - current tax

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate from 30% to 23% of next taxable profit for the accounting period which ending on or after 31 December 2012.

Income tax reduction - deferred tax

On 11 October 2011 the Cabinet passed a resolution regarding the present corporate income tax rate of 30%, which is quite high compared to other ASEAN countries. With the objectives to increase Thailand's competitiveness and encourage more investment from foreign investors, the Cabinet has issued on 21 December 2011 a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 in order to reduce of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

37 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

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Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December 2012 and 2011 were summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2012	2011	2012	2011	2012	2011
Local sales	18,525	28,579	19,114	25,748	37,639	54,327
Export sales	3,157	1,900	9,996	9,767	13,153	11,667
Total revenue from sale of goods	21,682	30,479	29,110	35,515	50,792	65,994
Other income	(21)	60	10,252	9,343	10,231	9,403
Total revenues	21,661	30,539	39,362	44,858	61,023	75,397
Less costs and expenses	(20,772)	(27,556)	(32,200)	(35,121)	(52,972)	(62,677)
Profit for the year	889	2,983	7,162	9,737	8,051	12,720

Direct costs and expenses are charged to the related businesses as incurred. Indirect costs and expenses are allocated to individual businesses based on revenues of each business.

38 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares held by third parties outstanding during the years as follows:

(Unit: million Baht/million shares)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the year attributable to equity holders of the Company	18,790	16,117	8,051	12,720
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at beginning of year	7,520	7,520	7,520	7,520
Treasury shares				
- held by the Company	-	(471)	-	(471)
- held by subsidiaries	(393)	(393)	-	-
Net	7,127	6,656	7,520	7,049

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(Unit: million Baht/million shares)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
Effect of the issue of new ordinary shares related to business combination	578	-	578	-
Effect of the reduction of cancelling unissued shares	(471)	-	(471)	-
Effect of resale of treasury shares held by subsidiaries	32	-	-	-
Weighted average number of ordinary shares	<u>7,266</u>	<u>6,656</u>	<u>7,627</u>	<u>7,049</u>
Basic earnings per share (<i>in Baht</i>)	<u>2.59</u>	<u>2.42</u>	<u>1.06</u>	<u>1.80</u>

39 Dividends

Details of dividends for the years ended 31 December 2012 and 2011 were as follows:

Approval date to pay dividends	Rate per share (<i>Baht</i>)	Number of entitled shares (<i>Shares</i>)	Total (<i>in million Baht</i>)	Source
2011				
20 April 2011	0.27	7,048,937,826	1,903	Profit from operations which were exempted from corporate income tax
20 April 2011	0.28	7,048,937,826	1,974	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
10 August 2011	0.22	7,048,937,826	1,551	Profit from operations which were exempted from corporate income tax
10 August 2011	0.38	7,048,937,826	2,678	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
Total			<u>8,106</u>	
2012				
25 April 2012	0.20	7,742,941,932	1,549	Profit from operations which were exempted from corporate income tax
25 April 2012	0.30	7,742,941,932	2,323	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30%

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Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
25 April 2012	0.10	7,742,941,932	774	Profit after deduction of taxable losses carried forward not exceeding 5 accounting periods
10 August 2012	0.14	7,742,941,932	1,084	Profit from operations which were exempted from corporate income tax
	0.46	7,742,941,932	3,562	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
Total			9,292	

40 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages the interest rate risk of financial assets and financial liabilities by considering loan to or borrowing from including fixed and floating rate depend on the market situation. However, the interest rates of interest-bearing liabilities of the Group are mainly fixed rate. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

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The average interest rates of loans receivable as at 31 December 2012 and 2011 and the periods in which the loans receivable mature were as follows:

(Unit: Million Baht)

	Average interest rates <i>(% per annum)</i>	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2012					
Current					
Short-term loans to jointly-controlled entities	3.59	200	-	-	200
Total		200	-	-	200

(Unit: Million Baht)

	Average interest rates <i>(% per annum)</i>	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2012					
Current					
Short-term loans to subsidiaries	7.38	22,251	-	-	22,251
Current portion of long-term loans to subsidiaries	5.50	1,260	-	-	1,260
Non-current					
Long-term loans to subsidiaries	6.15	-	12,755	-	12,755
Total		23,511	12,755	-	36,266

2011					
Current					
Short-term loans to subsidiaries	7.49	11,221	-	-	11,221
Current portion of long-term loans to subsidiaries	5.93	1,323	-	-	1,323
Non-current					
Long-term loans to subsidiaries	6.42	-	3,321	744	4,065
Total		12,544	3,321	744	16,609

The average interest rates of interest-bearing liabilities as at 31 December 2012 and 2011 and the periods in which those liabilities mature were as follows:

(Unit: Million Baht)

	Average interest rates <i>(% per annum)</i>	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2012					
Current					
Overdrafts	7.57	8	-	-	8

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(Unit: Million Baht)

	Average interest rates <i>(% per annum)</i>	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
Short-term borrowings from financial institutions	5.27	52,603	-	-	52,603
Short-term borrowings from related companies	3.83	220	-	-	220
Current portion					
Long-term borrowings from financial institutions	5.46	4,061	-	-	4,061
Long-term borrowings from related company	5.00	40	-	-	40
Debentures	4.94	5,200	-	-	5,200
Finance lease liabilities	3.54	5	-	-	5
Non-current					
Long-term borrowings from financial institutions	4.19	-	17,617	13,063	30,680
Long-term borrowings from related company	5.00	-	21	-	21
Debentures	4.64	-	22,356	31,000	53,356
Finance lease liabilities	2.98	-	7	2	9
Total		62,137	40,001	44,065	146,203
2011					
Current					
Overdrafts	10.21	348	-	-	348
Short-term borrowings from financial institutions	4.55	22,548	-	-	22,548
Current portion					
Long-term borrowings from financial institutions	6.72	3,184	-	-	3,184
Debentures	4.90	2,500	-	-	2,500
Finance lease liabilities	3.40	3	-	-	3
Non-current					
Long-term borrowings from financial institutions	6.56	-	3,434	24	3,458
Debentures	4.66	-	16,400	21,000	37,400
Finance lease liabilities	2.64	-	7	1	8
Total		28,583	19,841	21,025	69,449

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(Unit: Million Baht)

	Average interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2012					
Current					
Overdrafts	7.38	4	-	-	4
Short-term borrowings from financial institutions	3.19	9,502	-	-	9,502
Short-term borrowings from subsidiaries	4.00	400	-	-	400
Current portion					
Long-term borrowings from financial institutions	4.47	1,200	-	-	1,200
Debentures	4.94	5,200	-	-	5,200
Non-current					
Long-term borrowings from financial institutions	3.35	-	3,760	-	3,760
Debentures	4.64	-	22,356	31,000	53,356
Total		16,306	26,116	31,000	73,422
2011					
Current					
Overdrafts	7.50	4	-	-	4
Short-term borrowings from financial institutions	3.13	713	-	-	713
Short-term borrowings from subsidiaries	2.00	50	-	-	50
Current portion					
Long-term borrowings from financial institutions	4.91	1,900	-	-	1,900
Debentures	4.90	2,500	-	-	2,500
Non-current					
Long-term borrowings from financial institutions	4.83	-	1,900	-	1,900
Debentures	4.66	-	16,400	21,000	37,400
Total		5,167	18,300	21,000	44,467

The Company has interest rate swap agreements with local financial institutions (“counterparties”). The Company has or the counterparties have commitments to make payments for the differences between the fixed interest rate and floating interest rate for each period.

As at 31 December 2012 the Company had long-term borrowings under interest rate swap agreements totaling Baht 1,500 million (2011: long-term borrowings under interest rate swap agreements totaling Baht 3,200 million). The above average interest rates are interest rates after adjusted with rates stipulated in the interest rate swap agreements.

**Charoen Pokphand Foods Public Company Limited
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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies including anticipated future purchases and sales of goods denominated in foreign currencies. The forward exchange contracts have maturities of less than 1 year.

As at 31 December 2012, the Group has the cross currency and interest rate swap agreements with the financial institutions to manage exposure of fluctuations in foreign currency exchange rates and interest rates as follows:

1. The Company has entered into a cross currency and interest rate swap agreement with a financial institution for debentures from Baht 6,060 million to be USD 200 million. The Company has commitments to make payments for the fixed interest rates at USD of 3.75% and the counterparty has commitments to make payments for the fixed interest rate at Baht of 4.17%. In addition, the company has entered into a cross currency and interest rate swap agreement with a financial institution for long-term loan from USD 100 million to be Baht 3,082 million. The Company has commitments to make payments for the interest rate at USD of USD -LIBOR - BBA + 2.35% and the counterparty has commitments to make payments for the fixed interest rate at Baht of 4.11%.
2. A foreign subsidiary has entered into a cross currency and interest rate swap agreement with a financial institution for long-term loan and interest from MYR 46.77 million to be USD 15 million. The subsidiary company has commitments to make payments for the fixed interest rates at MYR of 4.66% per annum and the counterparty has commitments to make payments for the interest rate at USD of 3 months USD LIBOR + 2.00%.

At 31 December 2012 and 2011 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated		<i>(Unit: Million)</i>	
		financial statements		Separate	
Foreign currency		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
				financial statements	
Accounts receivable - trade and others					
Foreign currencies	United States Dollar	75	55	37	46
	Won	16,430	15,295	2,908	2,504
	Singapore Dollar	14	11	-	-
	Euro	2	2	22	19
	Ruble	-	-	141	32
	Pound Sterling	-	-	6	8
	Yen	353	177	542	203
	Swedish Krona	10	6	-	-
	Australian Dollar	1	1	-	-
	Rand	2	1	2	1
	Renminbi	-	-	84	25
	Hongkong Dollar	-	-	1	1
Currency forwards	United States Dollar	54	55	39	48
	Won	16,430	15,295	2,908	2,504
	Singapore Dollar	14	11	-	-
	Euro	1	1	22	19

**Charoen Pokphand Foods Public Company Limited
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				<i>(Unit: Million)</i>	
		Consolidated		Separate	
		financial statements		financial statements	
Foreign currency		2012	2011	2012	2011
Accounts receivable - trade and others (continued)					
	Ruble	-	-	141	32
	Pound Sterling	-	-	6	8
	Yen	353	177	542	203
	Australian Dollar	1	1	-	-
	Rand	2	2	2	1
	Renminbi	-	-	84	25
	Hongkong Dollar	-	-	1	-
Short-term loans to subsidiaries					
Foreign currencies	United States Dollar	-	-	11	17
	Ruble	-	-	500	200
Currency forwards	United States Dollar	-	-	11	17
	Ruble	-	-	200	-
Long-term loans to subsidiaries					
Foreign currencies	United States Dollar	-	-	-	9
	Ruble	-	-	1,503	1,503
Currency forward	Ruble	-	-	753	1,503
Interest-bearing liabilities					
Foreign currencies	United States Dollar	941	64	100	6
	Euro	2	10	-	-
Currency forward	United States Dollar	115	17	100	6
Accounts payable - trade and others					
Foreign currencies	United States Dollar	83	30	1	2
	Euro	7	3	-	-
	Yen	15	2	-	1
	Swedish Krona	1	-	-	-
Currency forwards	United States Dollar	5	12	-	1
	Euro	4	1	-	-
	Yen	15	1	-	1
	Swedish Krona	1	-	-	-
Forecast sales					
Currency forwards	United States Dollar	140	217	66	128
	Pound Sterling	17	35	3	13
	Euro	17	15	4	4
	Yen	3,761	2,439	2,677	1,404
	Singapore Dollar	11	13	-	-
	Won	5,538	5,128	161	143
	Hongkong Dollar	19	28	-	-
	Ruble	3	74	3	74
	Danish Krone	7	16	-	-
	Australian Dollar	1	2	-	-
	Renminbi	16	5	10	2

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Notes to the financial statements

		<i>(Unit: Million)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
Foreign currency		2012	2011	2012	2011
Forecast purchases					
Currency forwards	United States Dollar	13	261	2	147
	Euro	6	8	1	6
	Yen	169	528	116	469
	Danish Krone	1	-	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. (When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.)

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity securities, which are held for trading and available-for-sales, are determined by reference to their quoted bid price at the reporting date.

The fair value of forward exchange contracts approximates the expected amounts that can be traded in the current exchange rate market.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

41 Commitments with non-related parties

As at 31 December 2012 and 2011 the Group had commitments with non-related parties as follows:

41.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<i>Contracted but not provided for</i>				
Land, buildings and constructions	2,583	695	61	142
Machinery, equipment and others	1,099	551	115	239
Total	3,682	1,246	176	381

41.2 Commitments under operating lease agreements

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Within one year	1,890	1,080	231	281
Over one year but within five years	4,416	1,704	211	339
Over five years	6,667	1,184	51	71
Total	12,973	3,968	493	691

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 49 years expiring in 2013 to 2059.

41.3 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 which will expire on 31 December 2015. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.1 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 December 2012 totaled Baht 13 million (2011: Baht 10 million).

41.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totaling Baht 34 million and Baht 1,771 million respectively (2011: Baht 336 million and Baht 3,655 million respectively).

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

41.5 Letters of guarantee

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 48 million and Baht 3,808 million respectively (2011: Baht 228 million and Baht 673 million respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sell of products.

42 Events after the reporting period

42.1 In the fourth quarter of 2012, a foreign subsidiary (CP China Investment Limited) (“the Buyer”) has entered into an agreement to purchase the investment in entire ordinary shares of Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd., from Chia Tai Food Investment Co., Ltd. (“the Seller”), the subsidiary of the Company’s major shareholder (Charoen Pokphand Group Company Limited). The total consideration is approximately USD 15.7 million or approximately Baht 483 million. The completion of an acquisition shall take place on which the Buyer is registered as the sole shareholder and the issuance of the business license to Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd. by the relevant government authority etc.

The acquisition was in the process at the reporting date.

42.1 In January 2013, the above subsidiary, CP China Investment limited has established a new subsidiary namely “Chia Tai Food Enterprise (Qingdao) Co., Ltd.” with the registered capital of USD 85.7 million.

43 Thai Financial Reporting Standards not yet adopted

The consolidated and separate financial statements are not prepared to provide the following revised Thai Financial Reporting Standards (“TFRS”) that have been issued as of the reporting date but are not yet effective. These revised TFRS become effective for annual financial periods beginning on or after 1 January 2013.

TFRS	Topic
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

Management is of the opinion that the adoption of such TFRS from 1 January 2013 will not have a significant impact on the Group’s financial statements.

44 Reclassification of accounts

Certain accounts in the 2011 financial statements have been reclassified to conform to the presentation in the 2012 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the early adoption of International Accounting Standards (“IAS”) No. 41 *Agriculture* as disclosed in note 3 to the financial statements.

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of Charoen Pokphand Foods Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Charoen Pokphand Foods Public Company Limited and its subsidiaries, and of Charoen Pokphand Foods Public Company Limited respectively as at 30 September 2013; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2013; and the related statement of changes in equity and cash flows for the nine-month period ended 30 September 2013; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
8 November 2013

**Charoen Pokphand Foods Public Company Limited
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Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2013 (Unaudited)	31 December 2012	30 September 2013 (Unaudited)	31 December 2012
Assets					
<i>Current assets</i>					
Cash and cash equivalents		26,491,924	12,258,401	1,006,698	1,290,419
Accounts receivable - trade and others	3, 4	22,306,204	23,279,151	4,057,541	5,294,732
Short-term loans to subsidiaries	3	-	-	23,315,100	22,251,013
Short-term loans to jointly-controlled entities	3	141,036	199,627	-	-
Current portion of long-term loans to subsidiaries	3	-	-	1,300,000	1,260,000
Inventories	3	43,316,357	48,333,758	4,543,753	5,273,849
Current biological assets		21,245,512	19,299,829	1,345,268	1,253,562
Advance payments for purchase of goods		1,685,652	1,005,768	-	-
Prepaid expenses		1,195,105	1,113,983	290,836	217,683
Accrued dividend income	3	-	-	1,800,000	1,050,977
Other current assets	3	3,756,063	3,710,924	243,908	274,028
Total current assets		120,137,853	109,201,441	37,903,104	38,166,263

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
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Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2013 (Unaudited)	31 December 2012	30 September 2013 (Unaudited)	31 December 2012
Assets (Continued)					
<i>Non-current assets</i>					
Available-for-sale investments	5	1,960,208	2,454,574	-	-
Investments in subsidiaries	6	-	-	87,554,014	85,420,854
Investments in associates	7	38,708,786	30,763,935	334,809	827,889
Investment in jointly-controlled entities	8	5,006,753	3,281,578	-	-
Investments in related companies	9	1,518,682	1,504,152	678,170	678,170
Investments in other companies		6,867	26,807	-	-
Long-term loans to subsidiaries	3	-	-	17,812,573	12,755,231
Investment properties		1,961,874	1,484,381	203,715	203,715
Property, plant and equipment	3, 10	100,688,513	90,812,322	17,580,420	16,426,376
Non-current biological assets		5,205,044	5,199,736	-	-
Goodwill		56,134,360	54,791,525	-	-
Other intangible assets		3,934,743	4,300,524	52,104	49,026
Restricted deposits at financial institutions		180,459	220,082	-	-
Deferred tax assets		2,321,467	787,327	1,219,515	-
Leasehold rights prepayment		4,659,120	4,237,408	-	-
Other non-current assets		1,842,973	1,478,470	152,095	151,359
Total non-current assets		224,129,849	201,342,821	125,587,415	116,512,620
Total assets		344,267,702	310,544,262	163,490,519	154,678,883

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September 2013 (Unaudited)	31 December 2012	30 September 2013 (Unaudited)	31 December 2012
Liabilities and equity					
<i>Current liabilities</i>					
Overdrafts and short-term borrowings					
from financial institutions		46,896,555	47,660,108	251,058	4,555,296
Bills of exchange		8,753,687	4,951,180	8,753,687	4,951,180
Accounts payable - trade and others	3, 11	21,910,834	20,619,779	2,046,914	2,089,104
Short-term borrowings from					
subsidiary	3	-	-	80,000	400,000
Short-term borrowings from					
jointly-controlled entity					
and related company	3	310,741	219,793	-	-
Current portion of long-term debts		7,022,847	9,265,438	3,200,000	6,400,000
Current portion of long-term					
borrowings from related company	3	32,282	40,369	-	-
Accrued expenses		6,058,469	5,129,117	292,753	285,342
Income tax payable		948,799	1,328,271	-	-
Other current liabilities		8,193,128	6,004,136	1,786,318	1,379,761
Total current liabilities		100,127,342	95,218,191	16,410,730	20,060,683
<i>Non-current liabilities</i>					
Long-term debts	12	110,769,791	84,044,356	72,325,748	57,115,505
Long-term borrowings from					
related company	3	-	21,408	-	-
Provisions and others		391,700	391,999	-	-
Deferred tax liabilities		4,488,437	5,071,707	-	83,361
Employee benefit obligations		5,394,977	5,015,801	1,474,314	1,367,067
Total non-current liabilities		121,044,905	94,545,271	73,800,062	58,565,933
Total liabilities		221,172,247	189,763,462	90,210,792	78,626,616

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		30 September 2013 (Unaudited)	31 December 2012	30 September 2013 (Unaudited)	31 December 2012
Liabilities and equity (Continued)	<i>Note</i>				
Equity					
Share capital	13				
Authorised share capital		7,742,942	7,742,942	7,742,942	7,742,942
Issued and paid-up share capital		7,742,942	7,742,942	7,742,942	7,742,942
Treasury shares		(1,135,146)	(1,135,146)	-	-
Additional paid-in capital					
Premium on ordinary shares		36,462,883	36,462,883	35,572,855	35,572,855
Other premium		3,470,021	3,470,021	3,470,021	3,470,021
Surplus from change in equity					
in subsidiary		102,544	-	-	-
Surplus on common control transactions		-	-	428,671	428,671
Retained earnings					
Appropriated					
Legal reserve		820,666	820,666	820,666	820,666
Unappropriated		52,458,809	52,770,259	23,963,626	26,736,166
Other components of equity		5,483,345	4,390,186	1,280,946	1,280,946
Total equity attributable to equity holders of the Company		105,406,064	104,521,811	73,279,727	76,052,267
Non-controlling interests		17,689,391	16,258,989	-	-
Total equity		123,095,455	120,780,800	73,279,727	76,052,267
Total liabilities and equity		344,267,702	310,544,262	163,490,519	154,678,883

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of income (Unaudited)

	Consolidated		<i>(Unit: Thousand Baht)</i> Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
<i>Note</i>	2013	2012	2013	2012
<i>Income</i>				
	3			
Revenue from sale of goods	105,267,785	97,220,071	6,685,167	10,071,043
Interest income	119,075	79,861	723,223	541,958
Dividend income	6, 7, 8	8,474	1,800,000	40,000
Net foreign exchange gains	-	-	22,164	3,609
Gains on sales of investments	7	1,104,293	-	-
Gains on liquidation of subsidiaries	-	-	4,000	1,116
Other income	379,132	743,475	8,718	48,274
Total income	107,085,046	99,156,174	9,243,272	10,706,000
<i>Expenses</i>				
	3			
Cost of sale of goods	93,883,389	85,861,190	7,907,263	8,321,741
Gains on changes in fair value of biological assets	(561,406)	(209,510)	-	-
Selling expenses	4,553,818	4,179,425	257,970	266,059
Administrative expenses	5,151,154	4,811,559	962,754	1,065,830
Net foreign exchange losses	118,871	61,728	-	-
Finance costs	2,141,921	1,658,078	930,136	779,996
Total expenses	105,287,747	96,362,470	10,058,123	10,433,626
Share of profits of associates and jointly-controlled entities	1,296,417	1,065,730	-	-
Profit before income tax expense (income)	3,093,716	3,859,434	(814,851)	272,374
Income tax expense (income)	(419,044)	705,029	(1,317,128)	(27,464)
Profit for the period	3,512,760	3,154,405	502,277	299,838

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of income (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	Three-month period ended 30 September		Three-month period ended 30 September		
<i>Note</i>	2013	2012	2013	2012	
Profit for the period attributable to:					
Equity holders of the Company	2,648,397	2,403,956	502,277	299,838	
Non-controlling interests	864,363	750,449	-	-	
Profit for the period	3,512,760	3,154,405	502,277	299,838	
Basic earnings per share (<i>in Baht</i>)	<i>15</i>	0.36	0.33	0.06	0.04

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 30 September		Three-month period ended 30 September	
	2013	2012	2013	2012
Profit for the period	3,512,760	3,154,405	502,277	299,838
Other comprehensive income				
Equity in associates	(4,397)	(6,516)	-	-
Net change in fair value of available-for-sale investments	267,301	684,170	-	-
Currency translation differences	613,614	(2,732,561)	-	-
Defined benefit plan actuarial gains (losses)	(21,531)	293	-	-
Other comprehensive income before income tax expense	854,987	(2,054,614)	-	-
Income tax expense of other comprehensive income	49,233	131,854	-	-
Other comprehensive income for the period, net of income tax expense	805,754	(2,186,468)	-	-
Total comprehensive income for the period	4,318,514	967,937	502,277	299,838
Total comprehensive income attributable to:				
Equity holders of the Company	3,252,131	610,958	502,277	299,838
Non-controlling interests	1,066,383	356,979	-	-
Total comprehensive income for the period	4,318,514	967,937	502,277	299,838

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of income (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	Nine-month period ended 30 September		Nine-month period ended 30 September		
<i>Note</i>	2013	2012	2013	2012	
<i>Income</i>					
	3				
Revenue from sale of goods		285,885,741	262,955,154	18,982,339	41,273,892
Interest income		276,937	231,301	2,097,706	1,225,173
Dividend income	6, 7, 8	32,643	33,473	7,763,098	4,226,293
Net foreign exchange gains		-	-	32,608	-
Gain on changes in fair value of investment in associate		-	8,673,448	-	-
Gains on sales of investments	7	6,469,503	3,514,545	67	162,202
Gains on liquidation of subsidiaries		-	-	4,000	1,116
Other income		1,151,628	2,020,943	34,437	475,898
Total income		293,816,452	277,428,864	28,914,255	47,364,574
<i>Expenses</i>					
	3				
Cost of sale of goods		258,696,120	229,017,299	21,163,060	35,502,400
Losses (gains) on changes in fair value of biological assets		(396,825)	(342,232)	-	15,707
Selling expenses		12,381,879	10,976,568	716,089	734,049
Administrative expenses		14,320,980	13,295,645	2,746,629	3,251,060
Net foreign exchange losses		158,508	79,535	-	137,795
Finance costs		6,044,046	4,483,537	2,556,687	2,006,118
Total expenses		291,204,708	257,510,352	27,182,465	41,647,129
Share of profits of associates and jointly-controlled entities	7, 8	3,891,453	3,141,251	-	-
Profit before income tax expense (income)		6,503,197	23,059,763	1,731,790	5,717,445
Income tax expense (income)		(292,272)	2,784,209	(1,302,876)	(182)
Profit for the period		6,795,469	20,275,554	3,034,666	5,717,627

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of income (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	Nine-month period ended 30 September		Nine-month period ended 30 September		
<i>Note</i>	2013	2012	2013	2012	
Profit for the period attributable to:					
Equity holders of the Company	5,310,530	18,552,071	3,034,666	5,717,627	
Non-controlling interests	1,484,939	1,723,483	-	-	
Profit for the period	6,795,469	20,275,554	3,034,666	5,717,627	
Basic earnings per share (<i>in Baht</i>)	<i>15</i>	0.72	2.57	0.39	0.75

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2013	2012	2013	2012
Profit for the period	6,795,469	20,275,554	3,034,666	5,717,627
Other comprehensive income				
Revaluation differences on assets	-	166,500	-	-
Equity in associates	(15,150)	(68,550)	-	-
Net change in fair value of available-for-sale investments	1,389,477	1,144,368	-	-
Net change in fair value of available-for-sale investment transferred to profit or loss	(1,875,090)	-	-	-
Currency translation differences	2,068,197	(933,252)	-	-
Defined benefit plan actuarial losses	(104,798)	(4,520)	-	-
Other comprehensive income before income tax expense (income)	1,462,636	304,546	-	-
Income tax expense (income) of other comprehensive income	(56,077)	234,253	-	-
Other comprehensive income for the period, net of income tax expense (income)	1,518,713	70,293	-	-
Total comprehensive income for the period	8,314,182	20,345,847	3,034,666	5,717,627
Total comprehensive income attributable to:				
Equity holders of the Company	6,322,800	18,628,581	3,034,666	5,717,627
Non-controlling interests	1,991,382	1,717,266	-	-
Total comprehensive income for the period	8,314,182	20,345,847	3,034,666	5,717,627

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity (Unaudited)

(Unit: Thousand Baht)

	Consolidated financial statements														
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Equity in associates	Fair value changes on available-for-sale investments	Currency translation differences	Total other components of equity	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
Nine-month period ended 30 September 2012	7,519,938	(2,855,124)	16,436,492	-	820,666	1,628,825	41,188,339	2,414,216	284,809	(113,764)	(3,169,509)	(584,248)	64,154,888	2,921,703	67,076,591
Balance at 1 January 2012	694,004	-	20,126,119	3,470,021	-	-	-	-	-	-	-	-	24,290,144	-	24,290,144
Transactions with equity holders, recorded directly in equity	(471,000)	1,628,825	(1,032,129)	-	-	(1,628,825)	1,503,129	-	-	-	-	-	-	-	-
<i>Contributions by and distributions to owners</i>	Sales on treasury shares	91,153	933,401	-	-	-	-	-	-	-	-	-	1,023,554	-	1,023,554
Dividends paid	-	-	-	-	-	-	(8,865,745)	-	-	-	-	-	(8,865,745)	(1,024,912)	(9,890,657)
<i>Total contributions by and distributions to owners</i>	223,004	1,719,978	20,026,391	3,470,021	-	(1,628,825)	(7,362,616)	-	-	-	-	-	16,447,953	(1,024,912)	15,423,041
<i>Changes in ownership interests in subsidiaries</i>	Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	12,449,218	12,449,218
<i>Total changes in ownership interests in subsidiaries</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	12,449,218	12,449,218
Total transactions with equity holders, recorded directly in equity	223,004	1,719,978	20,026,391	3,470,021	-	(1,628,825)	(7,362,616)	-	-	-	-	-	16,447,953	11,424,306	27,872,259
Comprehensive income for the period	-	-	-	-	-	-	18,552,071	-	-	-	-	-	18,552,071	1,723,483	20,275,554
Profit	-	-	-	-	-	-	(3,073)	-	-	-	-	-	(3,073)	-	(3,073)
Other comprehensive income	-	-	-	-	-	-	-	140,369	(68,550)	931,563	(923,799)	79,583	79,583	(6,217)	73,366
- Actuarial losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	140,369	(68,550)	931,563	(923,799)	79,583	79,583	(6,217)	73,366
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	18,548,998	140,369	(68,550)	931,563	(923,799)	79,583	18,628,581	1,717,266	20,345,847
Transferred to retained earnings	-	-	-	-	-	-	18,685	(18,685)	-	-	-	(18,685)	-	-	-
Balance at 30 September 2012	7,742,942	(1,135,146)	36,462,883	3,470,021	820,666	-	52,393,406	2,535,900	216,259	817,799	(4,093,308)	(523,350)	99,231,422	16,063,275	115,294,697

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and Its Subsidiaries**

Statements of changes in equity (Unaudited)

(Unit: Thousand Baht)

	Consolidated financial statements																	
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus from change in equity in subsidiaries	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Equity in associates	Other components of equity				Total equity attributable to equity holders of the Company	Non- controlling interests	Total equity	
											Fair value changes on available-for-sale investments	Currency translation differences	Total other components of equity	Total				
Nine-month period ended																		
30 September 2013																		
Balance at 1 January 2013	7,742,942	(1,135,146)	36,462,883	3,470,021	-	820,666	-	52,770,259	7,855,428	215,944	777,227	(4,458,413)	4,390,186	104,521,811	16,258,989	120,780,800		
Transactions with equity holders, recorded directly in equity																		
<i>Contributions by and distributions to owners</i>																		
Dividends paid	-	-	-	-	-	-	-	(5,541,091)	-	-	-	-	-	(5,541,091)	(1,017,288)	(6,558,379)		
<i>Total contributions by and distributions to owners</i>																		
<i>Changes in ownership interests in subsidiaries</i>																		
New shares issued by subsidiary	-	-	-	-	102,544	-	-	-	-	-	-	-	-	102,544	456,308	558,852		
<i>Total changes in ownership interests in subsidiaries</i>																		
Total transactions with owners, recorded directly in equity	-	-	-	-	102,544	-	-	(5,541,091)	-	-	-	-	-	102,544	456,308	558,852		
Comprehensive income for the period																		
Profit	-	-	-	-	-	-	-	5,310,530	-	-	-	-	-	5,310,530	1,484,939	6,795,469		
Other comprehensive income																		
- Actuarial losses	-	-	-	-	-	-	-	(83,897)	-	-	-	-	-	(83,897)	-	(83,897)		
- Other	-	-	-	-	-	-	-	-	1,563,342	(15,150)	(452,025)	1,096,167	1,096,167	1,096,167	506,443	1,602,610		
Total comprehensive income for the period																		
Transferred to retained earnings	-	-	-	-	-	-	-	5,226,633	-	(15,150)	(452,025)	1,563,342	1,096,167	6,322,800	1,991,382	8,314,182		
	-	-	-	-	-	-	-	3,008	(3,008)	-	-	-	(3,008)	-	-	-		
Balance at 30 September 2013	7,742,942	(1,135,146)	36,462,883	3,470,021	102,544	820,666	-	52,458,809	7,852,420	200,794	325,202	(2,895,071)	5,483,345	105,406,064	17,689,391	123,095,455		

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity (Unaudited)

(Unit: Thousand Baht)

Note	Separate financial statements										
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Treasury shares reserve	Unappropriated retained earnings	Revaluation differences on assets	Total other components of equity	Total equity
Nine-month period ended 30 September 2012											
	7,519,938	(1,628,825)	16,478,865	-	-	820,666	1,628,825	26,473,216	678,632	678,632	51,971,317
Balance at 1 January 2012											
Transactions with equity holders, recorded directly in equity											
<i>Contributions by and distributions to owners of the Company</i>											
Issue of new ordinary shares	694,004	-	20,126,119	3,470,021	-	-	-	-	-	-	24,290,144
Treasury shares disposed	(471,000)	1,628,825	(1,032,129)	-	-	-	(1,628,825)	1,503,129	-	-	-
Dividends paid	-	-	-	-	-	-	-	(9,291,531)	-	-	(9,291,531)
<i>Total contributions by and distributions to owners of the Company</i>	223,004	1,628,825	19,093,990	3,470,021	-	-	(1,628,825)	(7,788,402)	-	-	14,998,613
Common control transaction	-	-	-	-	371,607	-	-	-	(436,547)	(436,547)	(64,940)
Total transactions with equity holders, recorded directly in equity	223,004	1,628,825	19,093,990	3,470,021	371,607	-	(1,628,825)	(7,788,402)	(436,547)	(436,547)	14,933,673
Comprehensive income for the period	-	-	-	-	-	-	-	5,717,627	-	-	5,717,627
Profit	-	-	-	-	-	-	-	5,717,627	-	-	5,717,627
Balance at 30 September 2012	7,742,942	-	35,572,855	3,470,021	371,607	820,666	-	24,402,441	242,085	242,085	72,622,617
Nine-month period ended 30 September 2013											
	7,742,942	-	35,572,855	3,470,021	428,671	820,666	-	26,736,166	1,280,946	1,280,946	76,052,267
Balance at 1 January 2013											
Transactions with equity holders, recorded directly in equity											
<i>Distributions to owners of the Company</i>											
Dividends paid	-	-	-	-	-	-	-	(5,807,206)	-	-	(5,807,206)
<i>Total distributions to owners of the Company</i>	-	-	-	-	-	-	-	(5,807,206)	-	-	(5,807,206)
Total transactions with equity holders, recorded directly in equity	-	-	-	-	-	-	-	(5,807,206)	-	-	(5,807,206)
Comprehensive income for the period	-	-	-	-	-	-	-	3,034,666	-	-	3,034,666
Profit	-	-	-	-	-	-	-	3,034,666	-	-	3,034,666
Balance at 30 September 2013	7,742,942	-	35,572,855	3,470,021	428,671	820,666	-	23,963,626	1,280,946	1,280,946	73,279,727

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
Note	2013	2012	2013	2012
<i>Cash flows from operating activities</i>				
Profit for the period	6,795,469	20,275,554	3,034,666	5,717,627
<i>Adjustments for</i>				
Depreciation	5,579,770	4,795,890	1,331,322	1,386,299
Amortisation	657,078	688,496	6,108	5,934
Bad and doubtful debts expense (reversal of allowance for doubtful accounts)	4 67,656	10,858	(3,873)	(2,721)
Losses (reversal of allowance for losses) on decline in value of inventories adjusted to net realisable value	168,925	39,283	165,396	(5,275)
Interest income	(276,937)	(231,301)	(2,097,706)	(1,225,173)
Dividend income	(32,643)	(33,473)	(7,763,098)	(4,226,293)
Finance costs	6,044,046	4,483,537	2,556,687	2,006,118
Gains on sales of investments	(6,469,503)	(3,514,545)	(67)	(162,202)
Employee benefit obligations	371,755	437,949	107,247	113,232
Gain on liquidation of subsidiaries	-	-	(4,000)	(1,116)
(Gains) losses on sale and write-off of property, plant and equipment and investment properties	(82,884)	4,588	9,762	(15,261)
Reversal of impairment losses of plant and equipment and investment properties	(6,990)	(5,911)	-	-
Unrealised (gains) losses on exchange rates	96,261	(171,390)	2,921	(32,614)
Gains on changes in fair value of biological assets	(2,385,285)	(1,198,310)	-	-
Reversal of impairment loss on investments	9 -	(309,481)	-	(244,094)
Gain on changes in fair value of investment in associate	-	(8,673,448)	-	-
Share of profits of associates and jointly-controlled entities	7, 8 (3,891,453)	(3,141,251)	-	-
Income tax expense (income)	(292,272)	2,784,209	(1,302,876)	(182)
	6,342,993	16,241,254	(3,957,511)	3,314,279

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
<i>Note</i>	2013	2012	2013	2012
<i>Cash flows from operating activities</i>				
<i>(Continued)</i>				
<i>Changes in operating assets and liabilities</i>				
Accounts receivable - trade and others	745,002	(4,074,130)	1,193,242	146,651
Inventories	5,037,844	(7,995,151)	564,700	(2,364,891)
Current and non-current biological assets	319,269	(1,456,035)	(91,706)	(326,758)
Other current assets	(844,013)	501,085	70,257	(187,018)
Other non-current assets	(572,425)	(657,899)	(736)	(576)
Accounts payable - trade and others	1,300,004	2,931,034	(33,941)	(1,180,015)
Other current liabilities	2,778,489	1,472,021	388,174	534,577
Employee benefits paid	(64,294)	(83,428)	-	-
Income tax paid	(2,352,469)	(3,846,875)	(38,407)	(30,285)
Net cash provided by (used in) operating activities	12,690,400	3,031,876	(1,905,928)	(94,036)
<i>Cash flows from investing activities</i>				
Interest received	396,185	108,148	2,022,821	1,189,878
Dividends received	3,196,886	2,420,676	7,014,075	4,226,293
(Increase) decrease in short-term loans to subsidiaries	-	-	(1,075,187)	(8,895,586)
(Increase) decrease in short-term loans to jointly-controlled entities and related companies	62,438	4,182,318	-	-
Net cash inflow on business transfer under common control	-	-	-	10,750,937
Purchase of investments	(11,662,942)	(4,280,560)	(2,153,160)	(31,156,528)
Purchase of net assets	3 (314,207)	-	-	-
Sale of investments	9,420,762	4,745,615	493,147	304,328
Net consideration paid for acquisition of subsidiaries	-	(45,013,122)	-	-
(Increase) decrease in long-term loans to subsidiaries	-	-	(5,050,791)	(9,133,288)
Purchase of property, plant and equipment and investment properties	(15,696,946)	(13,076,100)	(2,519,425)	(3,342,495)

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2013	2012	2013	2012
<i>Cash flows from investing activities</i>				
<i>(Continued)</i>				
Sale of property, plant and equipment and investment properties	291,928	102,748	23,403	37,721
Purchase of other intangible assets	(109,133)	(76,225)	(7,090)	(12,366)
Purchase of leasehold rights	(282,618)	(274,259)	-	-
Proceeds from liquidation of subsidiary	-	-	24,000	1,116
Net cash used in investing activities	(14,697,647)	(51,160,761)	(1,228,207)	(36,029,990)
<i>Cash flows from financing activities</i>				
Interest paid	(5,375,540)	(3,959,629)	(2,405,860)	(1,679,590)
Increase (decrease) in short-term borrowings from financial institutions	(433,227)	4,362,695	(4,305,193)	794,276
Increase in bill of exchange	3,584,532	-	3,584,532	-
Increase (decrease) in short-term borrowings from subsidiaries	-	-	(320,000)	3,900,000
Increase (decrease) in short-term borrowings from jointly-controlled entities and related companies	84,003	(61,243)	-	-
Decrease in long-term borrowings from related company	(30,087)	(30,810)	-	-
Repayment of liabilities under finance leases	(4,220)	(3,850)	-	-
Proceeds from long-term borrowings from financial institutions	14,417,325	31,478,607	-	3,054,084
Repayment of long-term borrowings from financial institutions	(3,818,408)	(4,112,808)	(900,000)	(1,400,000)
Proceeds from issue of debentures	16,000,000	21,060,000	16,000,000	21,060,000
Repayment of debentures	(3,000,000)	(1,973,879)	(3,000,000)	-
Proceeds from issue of new ordinary shares	16,377	-	-	-
Proceeds from sale of treasury shares	-	1,302,127	-	-
Payments of financial transaction costs	(385,451)	(22,566)	(11,957)	(12,070)

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows (Unaudited)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 30 September		Nine-month period ended 30 September	
	2013	2012	2013	2012
<i>Cash flows from financing activities</i>				
<i>(Continued)</i>				
Proceeds from exercise share options	541,278	-	-	-
Dividend paid of the Company - net of dividends paid to subsidiaries (for share held in treasury)	(5,525,948)	(8,863,234)	(5,792,063)	(9,289,020)
Dividends paid to non-controlling interests	(1,027,564)	(874,370)	-	-
Net cash provided by financing activities	15,043,070	38,301,040	2,849,459	16,427,680
Net increase (decrease) in cash and cash equivalents	13,035,823	(9,827,845)	(284,676)	(19,696,346)
Cash and cash equivalents at beginning of period	12,250,346	23,993,026	1,285,885	20,472,567
Effect of exchange rate changes on balances held in foreign currencies	1,197,902	764,421	-	-
Cash and cash equivalents at end of period	26,484,071	14,929,602	1,001,209	776,221
<i>Supplemental disclosures of cash flows information:</i>				
1. Cash and cash equivalents				
These consisted of:				
Cash and cash equivalents	26,491,924	14,996,953	1,006,698	784,592
Overdrafts	(7,853)	(67,351)	(5,489)	(8,371)
Net	26,484,071	14,929,602	1,001,209	776,221
2. Non-cash transactions				

As at 30 September 2013 the Company had accrued dividend income of Baht 1,800 million (2012: nil).

The accompanying notes are an integral part of these financial statements.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

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 8 November 2013.

1 General information

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

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

The principal businesses 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, sourcing 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 selling their products to both domestic and overseas markets. 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 30 September 2013 and 31 December 2012 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
<i>Thailand operations and businesses related to operations in Thailand</i>				
<i>Livestock Business</i>				
<i>Direct subsidiaries</i>				
1) Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution	Thailand	99.44	99.44
2) Chester’s Food Company Limited	Restaurant	Thailand	99.99	99.99
3) CPF (Thailand) Public Company Limited	Animal feedmill, livestock farming, food processing plant and broiler chicken integration	Thailand	99.98	99.98
4) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
<i>Indirect subsidiaries</i>				
1) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.97	99.97
2) CPF Premium Foods Co., Ltd. ⁽¹⁾	Food processing plant	Thailand	99.99	99.99
3) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	52.00	52.00
4) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
5) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	The People's Republic of China	100.00	100.00
6) CPF Tokyo Co., Ltd.	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
7) CP Foods (UK) Limited (7.1 to 7.60 are subsidiaries of CP Foods (UK) Limited)	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.1) Fusion Abbey Park Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.2) Fusion Alfrick Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.3) Fusion Bracewell Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.4) Fusion Bransford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.5) Fusion Broadway Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.6) Fusion Brothwood Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.7) Fusion Calis Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.8) Fusion Carnoustie Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.9) Fusion Charlton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.10) Fusion Crowle Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.11) Fusion Dalaman Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.12) Fusion Defford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.13) Fusion Dormington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.14) Fusion Driscoll Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.15) Fusion Dumbleton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.16) Fusion Eastoe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.17) Fusion Elmbridge Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
7.18) Fusion Everton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.19) Fusion Exning Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.20) Fusion Fethiye Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.21) Fusion Gatley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.22) Fusion Gocek Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.23) Fusion Gray Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.24) Fusion Harper Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.25) Fusion Hartford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.26) Fusion Hawstead Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.27) Fusion Head Street Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.28) Fusion Heath Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.29) Fusion Irvine Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.30) Fusion Kaitaia Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.31) Fusion Kroma Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.32) Fusion Krone Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.33) Fusion Lineker Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.34) Fusion Littleworth Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.35) Fusion Madeley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.36) Fusion Memahon Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.37) Fusion Mountfield Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.38) Fusion Moyes Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.39) Fusion Newlands Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.40) Fusion Niamh Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.41) Fusion Pershore Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.42) Fusion Priest Lane Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
7.43) Fusion Ratcliffe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.44) Fusion Reid Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.45) Fusion Richardson Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.46) Fusion Samui Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.47) Fusion Sharp Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.48) Fusion Sheedy Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.49) Fusion Soham Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.50) Fusion Southall Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.51) Fusion Stevens Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.52) Fusion Thetford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.53) Fusion Turgay Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.54) Fusion Uzumlu Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.55) Fusion Van Den Hauwe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.56) Fusion Wadborough Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.57) Fusion Wellington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.58) Fusion Whistler Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.59) Fusion Wright Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
7.60) Fusion Yamac Limited	Importer and distributor of processed meat and ready meals	United Kingdom	52.00	52.00
Aquaculture business				
Direct subsidiaries				
1) Seafoods Enterprise Co., Ltd. ⁽¹⁾	Shrimp processing plant	Thailand	99.99	99.99
Indirect subsidiaries				
1) CP Foods West, Inc. ⁽⁴⁾	Importer and distributor of food products (operations wound up in September 2010)	United States of America	-	100.00
2) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) IP (Thailand) Co., Ltd.	Investment	Thailand	99.99	-
Overseas operations				
Direct subsidiaries				
1) Charoen Pokphand Foods Kenya Co., Ltd.	Animal feedmill and livestock farming	Kenya	99.99	99.99
2) CPF Investment Limited (2.1 to 2.6 are subsidiaries of CPF Investment Limited)	Investment	British Virgin Islands	100.00	100.00
2.1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2.2) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
2.3) Coinaton Investments Limited (2.3.1 is a subsidiary of Coinaton Investments Limited)	Investment	British Virgin Islands	100.00	100.00
2.3.1) Chun Ta Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
2.4) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
2.5) Forward Pass Limited (2.5.1 is a subsidiary of Forward Pass Limited)	Investment	British Virgin Islands	100.00	100.00
2.5.1) Ta Chung Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
2.6) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
3) CPF Tanzania Limited	Animal feedmill and livestock farming	Tanzania	99.99	99.99
4) C.P. Aquaculture (Beihai) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	The People's Republic of China	100.00	100.00
5) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	The People's Republic of China	100.00	100.00
6) C.P. Aquaculture (Hainan) Co., Ltd.	Aquaculture farming	The People's Republic of China	100.00	100.00

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
<i>Direct and indirect subsidiaries</i>				
1) Charoen Pokphand Foods Philippines Corporation (1.1 is a subsidiary of Charoen Pokphand Foods Philippines Corporation)	Animal feed production and distribution and shrimp hatchery business	Philippines	99.99	99.99
1.1) A.P.P. Enterprise, Inc. ⁽²⁾	Property lease-out	Philippines	39.60	39.60
2) Charoen Pokphand Foods (Overseas) LLC. (2.1 is a subsidiary of Charoen Pokphand Foods (Overseas) LLC.)	Animal feedmill and livestock farming	Russia	99.99	99.99
2.1) CPF Agro LLC.	Livestock farming	Russia	99.99	99.99
3) C.P. Standart Gida Sanayi ve Ticaret A.S.	Chicken integration	Turkey	100.00	100.00
4) C.P. Pokphand Co., Ltd. (4.1 to 4.80 are subsidiaries of C.P. Pokphand Co., Ltd.)	Investment	Bermuda	75.01	76.13
4.1) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.2) C.P. Enterprises Limited	Investment	Hong Kong	75.01	76.13
4.3) C.P. Standard Resources Limited	Dormant	Hong Kong	75.01	76.13
4.4) C.P. Vietnam Corporation	Animal feed production and distribution and farming and food processing plant	Vietnam	82.30	83.09
4.5) C.T. Progressive (H.K.) Limited	Investment	Bermuda	75.01	76.13
4.6) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.7) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	75.01	76.13
4.8) Chengdu Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.9) Chia Tai (China) Investment Co., Ltd.	Investment and trading	The People's Republic of China	75.01	76.13
4.10) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	75.01	-
4.11) Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	75.01	-
4.12) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong	75.01	76.13

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
4.13) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong	75.01	76.13
4.14) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.15) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.16) Chongqing Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.17) Chongqing Shuangqiao Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.18) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.19) CP China Investment Limited	Investment	Cayman Islands	75.01	76.13
4.20) CP Food Investment Limited	Investment	Hong Kong	75.01	-
4.21) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	75.01	76.13
4.22) Ek Chor China Motorcycle Co., Ltd.	Investment	Bermuda	75.01	76.13
4.23) Ek Chor Investment Company Limited	Investment	Hong Kong	75.01	76.13
4.24) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.25) Gansu Chia Tai Agriculture Financing Gurantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	75.01	-
4.26) Ganzhou Chia Tai Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	60.01	60.90
4.27) Golden Industrial Investment Limited	Investment	Hong Kong	75.01	76.13
4.28) Guang An Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.29) Guangdong Tai Tong Investment Co., Ltd.	Investment	The People's Republic of China	75.01	76.13
4.30) Guanghan Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	68.26	69.28
4.31) Guangxi Chia Tai Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	75.01	-

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
4.32) Guilin Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	63.76	64.71
4.33) Guiyang Chia Tai Co., Ltd.	Dormant	The People's Republic of China	75.01	76.13
3.34) Hangzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.35) Hannick Limited	Property investment	Hong Kong	75.01	76.13
4.36) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.37) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.38) Inner Mongolia Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	70.31	71.33
4.39) Jiang Jin Chia Tai Co., Ltd. ⁽³⁾	Production and sale of animal feed	The People's Republic of China	-	45.68
4.40) Jiangsu Huai Yin Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	66.01	66.99
4.41) Jinan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.76	49.48
4.42) Jiu Jiang Chia Tai Feedstuff Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.43) Kunming Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	69.29	70.34
4.44) Lanzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	70.94	76.13
4.45) Liuzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.46) Mianyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	60.01	60.90
4.47) Modern State Investments Limited	Investment	British Virgin Islands	75.01	76.13
4.48) Nanchang Chiatai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.49) Nanning Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	68.74	69.73

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
4.50) Nantong Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.51) Nantong Chia Tai Technology Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.52) Nanyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	68.26	76.13
4.53) Neijiang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.54) Ningbo Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.55) Pingdingshan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.56) Pucheng Chia Tai Biochemistry Limited	Production and sale of chlortetracycline	The People's Republic of China	52.13	52.91
4.57) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.58) Shaanxi Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	72.00	73.08
4.59) Shanghai EK Chor Industrial Trading Co., Ltd.	Dormant	The People's Republic of China	75.01	76.13
4.60) Shanxi Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	44.93	45.60
4.61) Shenyang Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.62) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.63) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.64) Shuangliu Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	52.51	53.29
4.65) Tai Zhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	The People's Republic of China	72.01	57.86
4.66) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2013	31 December 2012
4.67) Tianjin Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.68) Urumqi Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	70.08	71.10
4.69) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.70) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.71) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	-
4.72) Xiamen Chia Tai Agriculture Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.01	45.68
4.73) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.74) Xuzhou Chia Tai Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.76	49.48
4.75) Yi Chang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.76) Yinchuan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	63.76	64.71
4.77) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	76.13
4.78) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	75.01	-
4.79) Zhumadian Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.76	46.44
4.80) Zhumadian Huazhong Chia Tai Co., Ltd.	Production and sale of chlortetracycline	The People's Republic of China	52.51	53.29
Indirect subsidiaries				
1) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.98
2) Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (2.1 to 2.3 are subsidiaries of Charoen Pokphand Foods (Malaysia) Sdn. Bhd.)	Investment in aquaculture integration business and swine businesses	Malaysia	99.99	99.99

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

	Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
				30 September 2013	31 December 2012
2.1)	Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
2.2)	Makin Jernih Sdn. Bhd. (2.2.1 to 2.2.3 are subsidiaries of Makin Jernih Sdn. Bhd.)	Investment	Malaysia	99.99	99.99
2.2.1)	AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
2.2.2)	Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
2.2.3)	Tip Top Meat Sdn. Bhd.	Processed Meat	Malaysia	99.99	99.99
2.3)	Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
3)	Charoen Pokphand (India) Private Limited	Animal feedmill production and livestock farming	India	99.99	99.99
4)	Charoen Pokphand (USA), Inc.	Broiler chicken integration (operations wound up in March 2004)	United States of America	99.97	99.97
5)	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽²⁾ (5.1 to 5.5 are subsidiaries of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.)	Chicken integration and livestock farming	Taiwan	32.41	32.41
5.1)	Arbor Acres (Taiwan) Co., Ltd. ⁽²⁾	Livestock farming	Taiwan	16.21	16.21
5.2)	Charoen Pokphand (Taiwan) Co., Ltd. ⁽²⁾	Importer and distributor feedstuff additives and animal vaccines	Taiwan	29.17	29.17
5.3)	Chia Tai Lianyungang Co., Ltd. ⁽²⁾	Investment	Hong Kong	32.41	32.41
5.4)	Lianyungang Chia Tai Agro-industry Development Co., Ltd. ⁽²⁾	Production of animal feed	The People's Republic of China	22.69	22.69
5.5)	Plenty Type Limited ⁽²⁾	Investment	Cayman Islands	32.41	32.41

⁽¹⁾ In the process of liquidation

⁽²⁾ The Company has the power to govern those companies.

⁽³⁾ Disposed the entity in the second quarter of 2013

⁽⁴⁾ Registered the completeness of liquidation in the third quarter of 2013

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 2009) *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.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. 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 2012.

The FAP has issued the following new and revised Thai Financial Reporting Standards (“TFRS”) relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has no significant changes in the Group’s accounting policies.

In addition to the above new and revised TFRS as at 30 September 2013 the FAP had issued a number of revised TFRS and interpretations which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these interim financial statements. Those revised TFRS and interpretations that are relevant to the Group’s operations are disclosed in note 19 to the interim financial statements.

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 2012.

2.2 Functional and presentation currency

The interim financial statements are prepared and presented in Thai Baht which is the Group’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 2012.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

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 40.51% of the Company's voting rights as of the latest closing date of shareholder register book on 26 August 2013.

The pricing policies for particular types of transactions 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
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 and nine-month periods ended 30 September 2013 and 2012

For the three-month periods ended 30 September 2013 and 2012

	Consolidated		(Unit: Million Baht) Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
(a) Revenues				
Significant influence entity				
Sale of goods	1	-	-	-
Subsidiaries				
Sale of goods	-	-	1,392	2,086
Dividend income	-	-	1,800	40
Interest income	-	-	707	515
Rental, service and other income	-	-	-	6

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

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

For the three-month periods ended 30 September 2013 and 2012 (continued)

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
(a) Revenues (continued)				
Associates, jointly-controlled entities and related companies				
Sale of goods	7,074	6,331	56	101
Rental, service and other income	37	106	1	-
Interest income	7	7	-	-
Training and seminar income	4	6	-	-
Software application income	4	5	-	-
Gain on sale of equipment and others	1	-	-	-
(b) Expenses and others				
Significant influence entity				
Purchase of raw materials and goods	1,799	2,118	419	656
Technical service fees	336	287	10	15
Trademark license fees	21	19	3	4
Subsidiaries				
Purchase of raw materials and goods	-	-	594	1,469
Software application fees	-	-	55	55
Rental and service fees	-	-	22	16
Training and seminar fees	-	-	10	23
Interest and other expenses	-	-	-	27
Associates, jointly-controlled entities and related companies				
Purchase of raw materials and goods	7,075	7,425	295	233
Construction costs of buildings, structures and others	328	335	134	171
Rental and service fees	305	303	102	103
Insurance premium	73	72	27	24
Purchase of equipment and others	81	79	14	32
Trademark license fees	7	8	-	-
Software application fees	7	7	-	-
Interest and other expenses	209	257	29	39

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

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

For the nine-month periods ended 30 September 2013 and 2012

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
(a) Revenues				
Significant influence entity				
Sale of goods	1	-	-	-
Gain on sale of investments	-	4	-	15
Subsidiaries				
Sale of goods	-	-	3,822	16,230
Dividend income	-	-	7,753	4,218
Interest income	-	-	2,063	1,159
Rental, service and other income	-	-	-	8
Associates, jointly-controlled entities and related companies				
Sale of goods	20,050	18,151	133	471
Gain on sale of investments	1,264	-	-	-
Rental, service and other income	125	283	2	63
Software application income	17	12	-	-
Interest income	16	20	-	-
Dividend income	15	12	10	8
Training and seminar income	11	13	-	-
Gain on sale of equipment and others	3	24	1	23
(b) Expenses and others				
Significant influence entity				
Purchase of raw materials and goods	5,170	6,364	1,167	2,333
Technical service fees	912	732	28	67
Trademark license fees	56	54	7	14
Subsidiaries				
Purchase of raw materials and goods	-	-	1,709	8,428
Software application fees	-	-	163	183
Rental and service fees	-	-	66	51
Training and seminar fees	-	-	29	50
Interest and other expenses	-	-	4	29
Associates, jointly-controlled entities and related companies				
Purchase of raw materials and goods	19,767	19,804	837	867
Construction costs of buildings, structures and others	1,121	1,015	376	583
Rental and service fees	895	899	293	341
Insurance premium	236	188	85	67
Purchase of equipment and others	149	215	43	148
Trademark license fees	24	23	-	-
Software application fees	22	21	-	-
Interest and other expenses	603	820	79	156

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.2 Investment and divestment transactions

3.2.1 Share acquisition of Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd. (“CT Qinhuangdao”)

In the first quarter of 2013, CP China Investment Limited, a 76.13% indirectly owned subsidiary acquired CT Qinhuangdao, a company registered in China with the paid-up capital total amount of U.S. Dollar 15.7 million from Chia Tai Food Investment Co., Ltd., a 100% indirectly owned subsidiary of Charoen Pokphand Group Company Limited. The acquisition price was U.S. Dollar 15.7 million or approximately Baht 468 million. This acquisition transaction is considered as net assets acquisition. Details are as follows:

	<i>(Unit: Million Baht)</i>
The carrying amount of net assets	468
Cash and cash equivalents acquired	(154)
Net cash outflow	314

On 23 January 2013 the subsidiary fully paid by cash for the net assets acquisition.

3.2.2 Disposal of the investment in Siam Makro Public Company Limited (“MAKRO”)

In the second quarter of 2013, a subsidiary (C.P. Merchandising Co., Ltd.) accepted the tender offer and transferred all MAKRO shares held by the subsidiary totaling 2,421,262 shares according to the tender offer acceptance procedures for MAKRO share at Baht 787 per share made by CP ALL Public Company Limited, an associate with 32.50% shareholding. The subsidiary recorded the disposal and gains on sales of investment amounting to Baht 1,900 million (net of transaction costs) and Baht 1,264 million respectively in the consolidated statements of income for the nine-month periods ended 30 September 2013. The Group eliminated gain on sales of investment according to its share in the associate amounting to Baht 583 million and presented net of investments in associates in the consolidated statement of financial position as at 30 September 2013 and net gains on sales of investments in the consolidated statements of income for the nine-month periods ended 30 September 2013.

3.2.3 Share acquisition of CP-Meiji Co., Ltd. (“CP-Meiji”)

In the third quarter of 2013, a 99.99% directly owned subsidiary (C.P. Merchandising Co., Ltd.) acquired share of CP-Meiji totaling 299,997 shares (equal to 59.99% of CP-Meiji’s total issued and paid-up shares) at the price of Baht 4,000 per share, totaling Baht 1,200 million from Charoen Pokphand Group Company Limited, and was fully paid by cash on 31 July 2013.

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3.3 Balances with related parties as at 30 September 2013 and 31 December 2012

3.3.1 Accounts receivable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Significant influence entity				
Charoen Pokphand Group Company Limited	1	1	-	-
Subsidiaries				
C.P. Merchandising Co., Ltd.	-	-	476	1,077
CPF Food Trading Co., Ltd.	-	-	235	404
CP Foods (UK) Limited	-	-	203	271
C.P. Food Products, Inc.	-	-	190	391
Charoen Pokphand Foods (Overseas) LLC.	-	-	181	142
CPF Tokyo Co., Ltd.	-	-	124	105
CPF Trading Co., Ltd.	-	-	51	83
C.P. Vietnam Corporation	-	-	50	44
CPF Europe S.A.	-	-	41	200
CPF (Thailand) Public Company Limited	-	-	8	21
Bangkok Produce Merchandising Public Company Limited	-	-	7	8
Total	-	-	1,566	2,746
Associates and jointly- controlled entities				
CP ALL Public Company Limited	1,162	1,071	-	-
Counter Service Co., Ltd.	401	535	7	11
CP RAM Co., Ltd. (formerly C.P. Retailing and Marketing Co., Ltd.)	203	250	2	10
Siam Makro Public Company Limited	69	-	3	-
Other	50	37	-	-
Total	1,885	1,893	12	21

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.3.1 Accounts receivable - trade and others (continued)

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Related companies				
Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	1,783	2,009	-	-
Perfect Companion Group Co., Ltd.	633	423	2	4
Charoen Pokphand Intertrade Singapore (Pte) Ltd.	348	361	-	1
Alliance C.P. General Insurance Public Company Limited	106	131	43	52
Shang Cai Chia Tai Co., Ltd.	87	-	-	-
Xianning Chia Tai Agro-Industry&Food Co., Ltd.	72	-	-	-
C.P. Consumer Products Co., Ltd.	59	65	-	-
Chia Tai Aquaculture (Zhuhai) Co., Ltd.	46	3	-	-
Farm Pichit Thai Livestock Co., Ltd.	31	37	-	-
Advance Pharma Co., Ltd.	25	39	21	37
Yichang Chia Tai Animal Husbandry Co., Ltd.	23	55	-	-
Tacham Farm Co., Ltd.	21	26	-	-
Chia Tai Food Product (Shanghai) Co., Ltd.	15	12	7	7
Other	185	236	10	9
Total	3,434	3,397	83	110
Grand total	5,320	5,291	1,661	2,877

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.3.2 Short-term loans

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
Jointly-controlled entities			
Yunnan ECI-Metro Engineering Machinery Services Co., Ltd.	141	138	137
Beijing Chia Tai Feedmill Co., Ltd.	-	19	38
Jilin Chia Tai Enterprise Co., Ltd.	-	43	39
Handan Chia Tai Feed Co., Ltd.	-	-	1
Total	141	200	215

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
Subsidiaries			
C.P. Merchandising Co., Ltd.	12,740	5,560	11,057
CPF (Thailand) Public Company Limited	9,860	15,670	12,261
IP (Thailand) Co., Ltd.	365	-	41
Charoen Pokphand Foods (Overseas) LLC.	290	499	458
CPF IT Center Co., Ltd.	60	185	98
C.P. Aquaculture (Beihai) Co., Ltd.	-	130	73
C.P. Aquaculture (Hainan) Co., Ltd.	-	92	51
C.P. Aquaculture (Dongfang) Co., Ltd.	-	84	47
C.P. Food Products, Inc.	-	31	7
Total	23,315	22,251	24,093

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

3.3.3 Accrued dividend income

(Unit: Million Baht)

	Separate financial statements	
	30 September 2013	31 December 2012
Subsidiaries		
C.P. Merchandising Co., Ltd.	1,800	-
CPF (Thailand) Public Company Limited	-	1,051
Total	1,800	1,051

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3.3.4 Accrued interest income

Subsidiary	<i>(Unit: Million Baht)</i>	
	Separate	
	financial statements	
	30 September 2013	31 December 2012
Charoen Pokphand Foods (Overseas) LLC.	49	-
CPF Investment Limited	15	-
Total	64	-

3.3.5 Long-term loans

Subsidiaries	<i>(Unit: Million Baht)</i>		
	Separate financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
CPF (Thailand) Public Company Limited	11,600	12,510	12,136
CPF Investment Limited	5,900	-	3,274
Charoen Pokphand Foods (Overseas) LLC.	1,613	1,505	1,465
Total	19,113	14,015	16,875
<i>Less current portion</i>	<i>(1,300)</i>	<i>(1,260)</i>	
Net	17,813	12,755	

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

3.3.6 Accounts payable - trade and others

Significant influence entity	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Charoen Pokphand Group Company Limited	432	588	85	66
Subsidiaries				
C.P. Vietnam Corporation Bangkok Produce Merchandising Public Company Limited	-	-	29	2
Asia Aquaculture (M) Sdn. Bhd.	-	-	25	158
C.P. Merchandising Co., Ltd.	-	-	17	-
CPF (Thailand) Public Company Limited	-	-	14	-
Other	-	-	8	14
Total	-	-	101	182

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.3.6 Accounts payable - trade and others (continued)

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Associates and jointly- controlled entities				
PK Agro-Industrial (M) Sdn. Bhd.	93	81	-	-
CP RAM Co., Ltd. (formerly C.P. Retailing and Marketing Co., Ltd.)	80	58	1	-
C.P. Cambodia Co., Ltd.	44	7	-	-
CP-Meiji Co., Ltd.	29	-	-	-
CP ALL Public Company Limited	24	1	-	-
Beijing Chia Tai Feedmill Co., Ltd.	13	2	-	-
Other	61	22	-	-
Total	344	171	1	-
Related companies				
C.P. Trading (China) Co., Ltd.	251	384	-	-
Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	231	127	-	-
C.P. Trading Co., Ltd.	195	-	-	-
Alliance C.P. General Insurance Public Company Limited	111	2	94	-
Kasetphand Industry Co., Ltd.	107	153	58	62
C.P. Poly-Industry Co., Ltd.	57	52	23	17
True Leasing Co., Ltd.	45	48	13	13
Dynamic Transport Co., Ltd.	41	49	7	5
C.P. Packing Co., Ltd.	35	37	-	-
CNC International Co., Ltd.	33	53	-	-
K.S.P. Equipment Co., Ltd.	32	49	13	6
Advance Pharma Co., Ltd.	30	25	12	5
C.P. Intertrade Co., Ltd.	30	24	3	6
Jilin Deda Co., Ltd.	24	-	-	-
C.P. Interfood (Thailand) Co., Ltd.	21	20	-	-
C.P. Food Store Co., Ltd.	21	18	-	1
C.P. Packaging Industry Co., Ltd.	10	7	7	4

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.3.6 Accounts payable - trade and others (continued)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Related companies (continued)				
Tacham Farm Co., Ltd.	10	6	-	-
Charoen Pokphand In-Ex Co., Ltd.	9	8	-	-
C.P. Trading Group Co., Ltd.	8	2	2	2
Qingdao Chia Tai Co., Ltd.	7	25	-	-
True Money Co., Ltd.	7	6	-	-
KSP Vietnam Co., Ltd.	5	26	-	-
Other	114	185	13	16
Total	1,434	1,306	245	137
Grand total	2,210	2,065	432	385

3.3.7 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
Jointly-controlled entities			
Beijing Chia Tai Feedmill Co., Ltd.	88	-	10
Handan Chia Tai Feed Co., Ltd.	35	36	18
Total	123	36	28
Related company			
Vinasiam Bank	188	184	183
Total	188	184	183
Grand total	311	220	211

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
Subsidiaries			
Bangkok Produce Merchandising Public Company Limited	-	400	111
Chester's Food Co., Ltd.	80	-	43
Total	80	400	154

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

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3.3.8 Long-term borrowings

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	30 September 2013	31 December 2012	Average balance
Related company			
Vinasiam Bank	32	61	40
Less current portion	(32)	(40)	(8)
Net	-	21	32

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

3.4 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 30 September 2013 and 31 December 2012 were as follows:

	Consolidated financial statements					
	(Unit: Million Baht)					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Short-term loans to jointly- controlled entities	141	156	-	44	4.45	3.59
Short-term borrowings from jointly- controlled entities and related company	-	-	311	220	3.61	3.84
Long-term borrowings from related company	-	-	32	61	5.00	5.00

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.4 Balances of loans/borrowings and interest rates (continued)

	Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with floating interest rate		Average interest rate (%)	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Short-term loans to subsidiaries	-	306	23,315	21,945	7.38	7.38
Long-term loans to subsidiaries	18,926	14,015	187	-	5.60	6.09
Short-term borrowings from subsidiaries	80	400	-	-	3.00	4.00

3.5 Key management personnel compensations

Key management personnel compensations consist of:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2013	2012	2013	2012
<i>For the three-month period ended 30 September</i>				
Short-term employee benefits	131	133	48	51
Post-employment under defined benefit plans	3	2	-	1
Total	134	135	48	52
<i>For the nine-month period ended 30 September</i>				
Short-term employee benefits	397	385	162	163
Post-employment under defined benefit plans	10	7	2	2
Total	407	392	164	165
<i>As at 30 September</i>				
Employee benefit obligations	277	226	79	77
Total	277	226	79	77

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

3.6 Commitments

As at 30 September 2013 and 31 December 2012 the Group had commitments with related parties as follows:

3.6.1 Capital commitments

	Consolidated		(Unit: Million Baht) Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<i>Contracted but not provided for</i>				
Mainly represents construction contracts of buildings and structures, purchase of machinery and others	651	325	312	129

3.6.2 Commitments under operating lease agreements

	Consolidated		(Unit: Million Baht) Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Within one year	684	729	306	316
Over one year but within five years	1,135	958	316	282
Over five years	135	67	-	-
Total	1,954	1,754	622	598

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 9 years, expiring during 2013 to 2021.

3.7 Significant agreements

As at 30 September 2013 the Group had the following significant agreements with related parties:

3.7.1 Technical service agreements

The Company and certain subsidiaries had 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 shall be in effect starting from 1 July 2007 to 30 June 2010. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2013 with the same conditions and fee rates.

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

In addition, certain 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.

3.7.2 Trademark agreements

A subsidiary (CPF Trading Company Limited) had trademark agreements with a significant influence entity (Charoen Pokphand Group Company Limited (“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 agreements. These agreements shall be in effect starting from 1 July 2011 to 30 June 2014.

The Company and certain subsidiaries had 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 shall be in effect starting from 1 January 2009 to 31 December 2011. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2013 with the same conditions and fee rates.

A subsidiary had 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 shall be in effect starting from 1 January 2008 to 31 December 2012. The subsidiary has extended the agreement for an additional period until 31 December 2013 with the same conditions and fee rates.

3.7.3 Application system service agreement

A subsidiary had 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 shall be in effect starting from 1 January 2009 to 31 December 2013.

3.7.4 Service agreements for import and export transactions

The Company and certain subsidiaries had 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 shall be in effect since 1 July 2013 to 30 June 2015.

3.7.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd., had information technology service and software application agreements with local and foreign related companies. The term and condition of service fees are stipulated in the agreements. The agreements shall be terminated upon either party agrees to terminate the agreements or either party breaks the agreements.

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4 Accounts receivable - trade and others

		Consolidated		Separate	
		financial statements		financial statements	
		30	31	30	31
		September	December	September	December
		2013	2012	2013	2012
	<i>Note</i>				
Related parties	3	5,320	5,291	1,661	2,877
Other parties		17,556	18,503	2,465	2,490
Total		22,876	23,794	4,126	5,367
Less allowance for doubtful accounts		(570)	(515)	(68)	(72)
Net		22,306	23,279	4,058	5,295

		Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
<i>(Unit: Million Baht)</i>					
Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the:					
- three-month period ended 30 September		26	13	(2)	(1)
- nine-month period ended 30 September		68	11	(4)	(3)

The outstanding balances of the problem accounts receivable - trade and others as at 30 September 2013 and 31 December 2012 classified by aging were as follows:

		Consolidated		Separate	
		financial statements		financial statements	
		30	31	30	31
		September	December	September	December
		2013	2012	2013	2012
Periods over credit terms:					
Over 3 months to 6 months		84	58	-	-
Over 6 months to 12 months		106	39	-	-
Over 12 months		527	551	68	72
Total		717	648	68	72

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

5 Available-for-sale investments

Movements during the nine-month periods ended 30 September 2013 and 2012 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
At 1 January	2,455	1,373
Currency translation differences	-	(2)
Changes in fair value	(486)	1,143
Disposals	(9)	-
At 30 September	<u>1,960</u>	<u>2,514</u>
At 31 December		<u><u>2,455</u></u>

Details of available-for-sale investments

Available-for-sale investments as at 30 September 2013 and 31 December 2012 were as follows:

	Ownership interest (both direct and indirect)		Consolidated		Separate	
	<i>(%)</i>		financial statements		financial statements	
	<u>30</u>	<u>31</u>	<u>30</u>	<u>31</u>	<u>30</u>	<u>31</u>
	September	December	September	December	September	December
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<i>Marketable securities</i>						
- at fair value						
True Corporation Public Company Limited - at cost	1.74	1.75	1,510	1,510	-	-
Siam Makro Public Company Limited - at cost	-	1.01	-	9	-	-
Changes in fair value			450	936	-	-
Total			<u>1,960</u>	<u>2,455</u>	<u>-</u>	<u>-</u>

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

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

6 Investments in subsidiaries

Movements during the nine-month periods ended 30 September 2013 and 2012 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
At 1 January	-	-	85,421	29,284
Acquisitions/additional investments	-	-	2,153	55,802
Proceeds from liquidation of subsidiary	-	-	(20)	-
Increase from amalgamation of subsidiaries	-	-	-	11,882
Decrease from amalgamation of subsidiaries	-	-	-	(11,882)
At 30 September	-	-	87,554	85,086
At 31 December		-		85,421

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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 30 September 2013 and 31 December 2012, and dividend income for the nine-month periods ended 30 September 2013 and 2012 were as follows:

	Separate financial statements										(Unit: Million Baht)	
	Ownership interest (%)		Paid-up capital		Cost method		Accumulated impairment		At cost - net		Dividend income for nine months ended	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	30 September 2012
Marketable security												
C.P. Pokphand Co., Ltd.	23.55	23.90	7,883	7,773	24,290	24,290	-	-	24,290	24,290	373	479
Total					24,290	24,290	-	-	24,290	24,290	373	479
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	-	1,417
CPF (Thailand) Public Company Limited	99.98	99.98	7,008	7,008	11,882	11,882	-	-	11,882	11,882	-	-
- Charoen Pokphand Northeastern Public Company Limited*	-	-	-	-	-	-	-	-	-	-	-	89
- Charoen Pokphand Industry Co., Ltd.*	-	-	-	-	-	-	-	-	-	-	-	90
- B.P. Food Products Co., Ltd.*	-	-	-	-	-	-	-	-	-	-	-	121

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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 nine months ended			
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012				
- Rajburi Foods Co., Ltd.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47			
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	40			
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	-			
Seafoods Enterprise Co., Ltd.	-	99.99	-	20	-	20	-	20	-	20	-	20	-	20	-	20	-	20	-	20	-			
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	1,935			
Chester's Food Co., Ltd.	99.99	99.99	80	80	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	-			
IP (Thailand) Co., Ltd.	99.99	-	25	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
C.P. Aquaculture (Beihai) Co., Ltd.	100.00	100.00	602	309	602	309	602	309	602	309	602	309	602	309	602	309	602	309	602	309	-			
C.P. Aquaculture (Dongfang) Co., Ltd.	100.00	100.00	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144	-			
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	-			
C.P. Standart Gida Sanayi ve Ticaret A.S.	15.00	30.00	4,146	2,447	618	618	618	618	618	618	618	618	618	618	618	618	618	618	618	618	-			
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	-			

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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 nine months ended	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	30 September 2012
Charoen Pokphand Foods (Overseas) LLC.	48.80	48.80	1,663	2,057	1,394	1,394	(598)	(598)	796	796	-	-
Charoen Pokphand Foods Philippines Corporation	63.29	63.29	1,710	1,710	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	36,929	35,198	36,929	35,198	-	-	36,929	35,198	-	-
CPF Tanzania Limited	99.99	99.99	129	25	129	25	-	-	129	25	-	-
Total			63,862	61,729	(598)	(598)	63,264	61,131	7,380	3,739		
Grand Total			88,152	86,019	(598)	(598)	87,554	85,421	7,753	4,218		

* These companies were amalgamated to CPF (Thailand) Public Company Limited on 1 February 2012.

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7 Investments in associates

Movements of investments in associates during the nine-month periods ended 30 September 2013 and 2012 were as follows:

	<i>Note</i>	<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
At 1 January		30,764	23,405	828	882
Associates from business combination		-	1,476	-	-
Share of profit of associates		3,415	2,850	-	-
Previously held interest in associate before status change to subsidiary		-	(2,724)	-	-
Dividend income from associates		(3,050)	(2,164)	-	-
Acquisitions/additional investments		10,463	4,280	-	-
Disposals		(2,313)	(1,141)	(493)	(54)
Elimination of gains on sales of investments	3	(583)	-	-	-
Currency translation differences		13	(39)	-	-
At 30 September		<u>38,709</u>	<u>25,943</u>	<u>335</u>	<u>828</u>
At 31 December			<u>30,764</u>		<u>828</u>

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Details of investments in associates and dividend income

Investments in associates as at 30 September 2013 and 31 December 2012, and dividend income for the nine-month periods ended 30 September 2013 and 2012 were as follows:

		Consolidated financial statements										(Unit: Million Baht)	
Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for nine months ended	
30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	30 September 2012
Marketable security													
CP ALL Public Company Limited													
31.91	31.48	8,983	8,983	29,035	20,542	34,148	26,274	-	-	34,148	26,274	2,666	1,734
		29,035	20,542	34,148	26,274	34,148	26,274	-	-	34,148	26,274	2,666	1,734
Non-marketable securities													
Nava 84 Co., Ltd.													
25.00	25.00	1,203	1,203	159	159	161	160	-	-	161	160	-	-
Ross Breeders Siam Co., Ltd.													
49.99	49.99	70	70	35	35	86	89	-	-	86	89	27	26
Arbor Acres Thailand Co., Ltd.													
49.98	49.98	4	4	2	2	192	208	-	-	192	208	55	38
C.P. Aquaculture (India) Private Limited													
31.70	31.70	192	192	176	176	564	576	-	-	564	576	-	-
C.P. Cambodia Co., Ltd.													
25.00	25.00	1,446	1,446	493	493	626	583	-	-	626	583	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.													
49.75	49.75	353	353	176	176	1,521	1,525	-	-	1,521	1,525	-	-

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

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 nine months ended	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	30 September 2012
Conti Chia Tai International Limited	37.50	38.06	767	767	1,052	1,052	1,038	1,034	-	-	1,038	1,034	256	196
Zhan Jiang Deni Carburetor Co., Ltd.	21.00	21.32	581	581	424	424	373	315	-	-	373	315	46	170
Total			2,517	2,517	2,517	2,517	4,561	4,490	-	-	4,561	4,490	384	430
Grand total			31,552	23,059	38,709	30,764	38,709	30,764	-	-	38,709	30,764	3,050	2,164

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 30 September 2013 the fair value of this investment was Baht 101,064 million (31 December 2012: Baht 129,391 million).

For the nine-month period ended 30 September 2013, certain subsidiaries sold the investments in an associate with the carrying amount of Baht 2,313 million. The Group had a gain on sale of investments in the consolidated financial statement amounting to Baht 5,172 million.

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

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 nine months ended	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<i>Non-marketable securities</i>													
Nava 84 Co., Ltd.	25.00	1,203	1,203	159	159	-	-	159	159	-	-	-	-
C.P. Aquaculture (India) Private Limited	31.70	192	192	176	176	-	-	176	176	-	-	-	-
C.P. Cambodia Co., Ltd.	-	-	1,446	-	493	-	-	-	493	-	-	-	-
Total				335	828			335	828				

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

8 Investments in jointly-controlled entities

Movements of investments in jointly-controlled entities during the nine-month periods ended 30 September 2013 and 2012 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
At 1 January	3,282	-	-	-
Jointly-controlled entities from business combination	-	3,231	-	-
Share of profit of jointly-controlled entities	476	291	-	-
Dividend income from jointly-controlled entities	(158)	(278)	-	-
Acquisitions/additional investments	1,200	-	-	-
Currency translation differences	207	(104)	-	-
At 30 September	<u>5,007</u>	<u>3,140</u>	<u>-</u>	<u>-</u>
At 31 December		<u>3,282</u>		<u>-</u>

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Details of investments in jointly-controlled entities

Investments in jointly-controlled entities as at 30 September 2013 and 31 December 2012 were as follows:

		Consolidated financial statements														
		Ownership interest (both direct and Indirect) (%)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for nine months ended		
30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	30 September 2012	
<i>Non-marketable securities</i>																
CP-Meiji Co., Ltd. ("CP-Meiji")*		59.99	-	500	-	1,200	-	1,207	-	1,207	-	1,207	-	-	-	-
Beijing Chia Tai Feedmill Co., Ltd.		37.50	38.06	157	157	128	128	129	101	129	101	129	101	31	102	102
Handan Chia Tai Feed Co., Ltd.		37.50	38.06	56	56	(8)	(8)	15	18	15	18	15	18	-	-	-
Jilin Chia Tai Enterprise Co., Ltd.		37.50	38.06	261	261	211	211	232	211	232	211	232	211	-	-	-
Henan East Chia Tai Co., Ltd.		37.50	38.06	170	170	225	225	322	241	322	241	322	241	-	-	70
Luoyang Northern Ek Chor Motorcycle Co., Ltd.		41.26	41.87	1,773	1,773	1,379	1,379	1,375	1,361	1,375	1,361	1,375	1,361	127	106	106
ECI Metro Investment Co., Ltd.		37.50	38.06	378	378	1,296	1,296	1,727	1,350	1,727	1,350	1,727	1,350	-	-	-
Total				4,431	3,231	4,431	3,282	5,007	3,282	5,007	3,282	5,007	3,282	158	278	278

* CP-Meiji is a jointly-controlled entity because the articles of association of the Company has specified that each party of the investors have a joint control over significant financial and operating decisions. The Group accounted for investments in jointly-controlled entities using the equity method in the consolidated financial statements.

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

9 Investments in related companies

Movements during the nine-month periods ended 30 September 2013 and 2012 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
At 1 January	1,504	1,330	678	427
Acquisition	-	-	-	95
Disposal	-	(115)	-	(88)
Reversal of allowance for impairment losses	-	309	-	244
Currency translation differences	15	(16)	-	-
At 30 September	<u>1,519</u>	<u>1,508</u>	<u>678</u>	<u>678</u>
At 31 December		<u>1,504</u>		<u>678</u>

Details of investments in related companies

Investments in related companies as at 30 September 2013 and 31 December 2012 were as follows:

	Ownership interest (both direct and indirect)		Consolidated		<i>(Unit: Million Baht)</i>	
	<i>(%)</i>		financial statements		Separate	
	<u>30</u>	<u>31</u>	<u>30</u>	<u>31</u>	<u>30</u>	<u>31</u>
	September	December	September	December	September	December
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</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	16.75	1,128	1,113	528	528
Total			<u>1,519</u>	<u>1,504</u>	<u>678</u>	<u>678</u>

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

10 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2013 and 2012 were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2013		2012	
	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	618	385	806	104
Buildings and building improvements and utilities system	5,601	62	12,469	129
Machinery and equipment	4,807	57	10,309	62
Other	1,341	22	1,793	15
Assets under construction and installation	13,434	9,487	12,381	5,727
Total	25,801	10,013	37,758	6,037

(Unit: Million Baht)

	Separate financial statements			
	2013		2012	
	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	36	-	86	1,102
Buildings and building improvements and utilities system	1,254	8	650	2,833
Machinery and equipment	1,152	24	1,227	2,225
Other	106	1	95	97
Assets under construction and installation	2,199	2,230	2,813	1,527
Total	4,747	2,263	4,871	7,784

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

11 Accounts payable - trade and others

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
Related parties	3	2,210	2,065	432	385
Other parties		19,701	18,555	1,615	1,704
Total		21,911	20,620	2,047	2,089

12 Long-term debts

Debenture # 1/2013

On 9 May 2013 the Company issued Baht 6,000 million unsubordinated and unsecured debentures in registered name with the terms of 5 years, fully repayable on 9 May 2018 and bearing interest at the fixed rate of 3.93% per annum.

The debentures have a credit rating of “AA-” rated by TRIS Rating Co., Ltd. on 26 April 2013 and were registered with the Thai Bond Market Association on 9 May 2013.

Debenture # 2/2013

On 2 August 2013 the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 2 billion with the term of 4 years and bearing interest at the fixed rate of 4.04% per annum
- The second series of Baht 2.5 billion with the term of 6 years and bearing interest at the fixed rate of 4.54% per annum
- The third series of Baht 5.5 billion with the term of 8 years and bearing interest at the fixed rate of 4.90% per annum

The debentures have a credit rating of “AA-” rated by TRIS Rating Co., Ltd. on 26 July 2013 and were registered with the Thai Bond Market Association on 2 August 2013.

The Company must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio in the semi-annual and annual consolidated financial statements through the terms of debentures, etc.

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

13 Share capital

	<i>Par value per share (in Baht)</i>	<i>(million shares/million Baht)</i>			
		Consolidated/Separate financial statements			
		2013		2012	
		Number of shares	Amount	Number of shares	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	7,743	7,743	8,207	8,207
Reduction of shares	1	-	-	(687)	(687)
Reduction by cancelling unissued treasury shares	1	-	-	(471)	(471)
Increase of new ordinary shares	1	-	-	694	694
At 30 September					
- ordinary shares	1	7,743	7,743	7,743	7,743
At 31 December					
- ordinary shares	1			7,743	7,743
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	7,743	7,743	7,520	7,520
Reduction by cancelling unissued treasury shares	1	-	-	(471)	(471)
Issue of new ordinary shares	1	-	-	694	694
At 30 September					
- ordinary shares	1	7,743	7,743	7,743	7,743
At 31 December					
- ordinary shares	1			7,743	7,743

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Revenue and results, based on reportable segments financial information of the Group for the three-month and nine-month periods ended 30 September 2013 and 2012 were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Three-month period ended 30 September		Nine-month period ended 30 September	
	2013	2012	2013	2012
Segment revenue				
Livestock business	85,704	76,530	239,169	210,115
Aquaculture business	19,564	20,690	46,717	52,840
Total	105,268	97,220	285,886	262,955
Segment results				
Livestock business	4,589	2,172	7,538	7,655
Aquaculture business	(1,098)	1,988	(3,080)	6,553
Total allocated segment results	3,491	4,160	4,458	14,208
Unallocated segment results	22	(1,005)	2,337	6,068
Profit for the period	3,513	3,155	6,795	20,276

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 30 September 2013 and 2012 and for the three-month and nine-month periods then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Three-month period ended 30 September		Nine-month period ended 30 September	
	2013	2012	2013	2012
Revenue from external customers				
Thailand	34,604	31,591	99,254	95,475
Asia	59,923	56,111	158,667	140,797
Europe	7,874	8,544	22,920	23,779
America	2,139	724	3,922	2,299
Other	728	250	1,123	605
Total	105,268	97,220	285,886	262,955

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
<i>Property, plant and equipment, other intangible assets and central assets as at 30 September</i>		
Thailand	50,973	41,303
Asia	46,884	38,889
Europe	6,714	2,860
America	32	32
Other	20	-
Total	104,623	83,084

15 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2013 and 2012 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 and nine-month periods then ended as follows:

For the three-month periods ended 30 September 2013 and 2012

(Unit: million Baht/million shares)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period attributable to ordinary shareholders of the Company	2,648	2,404	502	300
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)	0.36	0.33	0.06	0.04

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Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

For the nine-month periods ended 30 September 2013 and 2012

	<i>(Unit: million Baht/million shares)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
Profit for the period attributable to ordinary shareholders of the Company	5,311	18,552	3,035	5,718
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at beginning of period	7,743	7,520	7,743	7,520
Treasury shares held by subsidiaries	(355)	(393)	-	-
Net	7,388	7,127	7,743	7,520
Effect of the issue of new ordinary shares related to business combination	-	540	-	540
Effect of the reduction of cancelling unissued shares	-	(471)	-	(471)
Effect of resale of treasury shares held by subsidiaries	-	29	-	-
Weighted average number of ordinary shares outstanding	7,388	7,225	7,743	7,589
Basic earnings per share (in Baht)	0.72	2.57	0.39	0.75

16 Dividends

Details of dividends for the nine-month periods ended 30 September 2013 and 2012 were as follows:

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
2012				
25 April 2012	0.30	7,742,941,932	2,323	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax
25 April 2012	0.20	7,742,941,932	1,549	Profit from operations which were exempted from corporate income tax
25 April 2012	0.10	7,742,941,932	774	Profit after deduction of taxable losses carried forward not exceeding 5 accounting periods
10 August 2012	0.46	7,742,941,932	3,562	Dividends received from subsidiaries appropriated from taxable profit which were subject to 30% corporate income tax

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For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
10 August 2012	0.14	7,742,941,932	1,084	Profit from operations which were exempted from corporate income tax
Total			9,292	
2013				
24 April 2013	0.41	7,742,941,932	3,174	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
24 April 2013	0.09	7,742,941,932	697	Profit from operations which were exempted from corporate income tax
8 August 2013	0.25	7,742,941,932	1,936	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
Total			5,807	

17 Commitments with non related parties

The Group had commitments with non-related parties as at 30 September 2013 and 31 December 2012 as follows:

17.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<i>Contracted but not provided for</i>				
Land, buildings and structures	4,707	2,583	32	61
Machinery, equipment and others	2,568	1,099	136	115
Total	7,275	3,682	168	176

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2013 (Unaudited)

17.2 Commitments under operating lease agreements

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Within one year	2,119	1,890	205	231
Over one year but within five years	5,146	4,416	263	211
Over five years	7,796	6,667	39	51
Total	15,061	12,973	507	493

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 49 years expiring in 2013 to 2062.

17.3 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 a research and training center, which will expire on 31 December 2015. Under the terms of the agreement, the Company is committed to pay total annual compensation of Baht 2.1 million and to transfer the ownership of the project property to the university at the expiration of the agreement. The net book value of the Company’s assets in respect to the agreement as at 30 September 2013 totaled Baht 14 million (*31 December 2012: Baht 13 million*).

17.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totaling Baht 87 million and Baht 2,523 million respectively (*31 December 2012: Baht 34 million and Baht 1,771 million respectively*).

17.5 Letters of guarantee

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 49 million and Baht 6,350 million respectively (*31 December 2012: Baht 48 million and Baht 3,808 million respectively*). The letters of guarantee are principally covering the guarantee of taxes, duties and sell of products.

18 Guarantees

As at 30 September 2013 certain foreign subsidiaries pledged their assets as collateral for their borrowings from financial institutions as follows:

- 18.1 Ordinary shares of a subsidiary (C.P. Pokphand Co., Ltd.) totaling 9,591 million shares with the fair value of Baht 29,452 million (*31 December 2012: 7,837 million ordinary shares with the fair value of Baht 29,355 million*).

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18.2 Property, plant and equipment with net book value of Baht 2,684 million (31 December 2012: Baht 2,411 million).

18.3 Current assets mainly including inventory, net accounts receivable and payable with the carrying value of Baht 1,513 million (31 December 2012: Baht 1,767 million).

19 Thai Financial Reporting Standards not yet adopted

The consolidated and separate financial statements are not prepared to provide the following revised TFRS and interpretations that have been issued as of the reporting date but are not yet effective. These revised TFRS and interpretations become effective for annual financial periods beginning on or after 1 January 2014.

TFRS	Topic
TAS 12 (revised 2012)	Income Taxes
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets-Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners

Impact of the adoption of such revised TFRS and interpretations from 1 January 2014 on the Group's financial statements is still under consideration by the management.

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