

Interim Report  2006

**C.P. POKPHAND CO. LTD.**

(Incorporated in Bermuda with limited liability)

Stock Code : 43

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

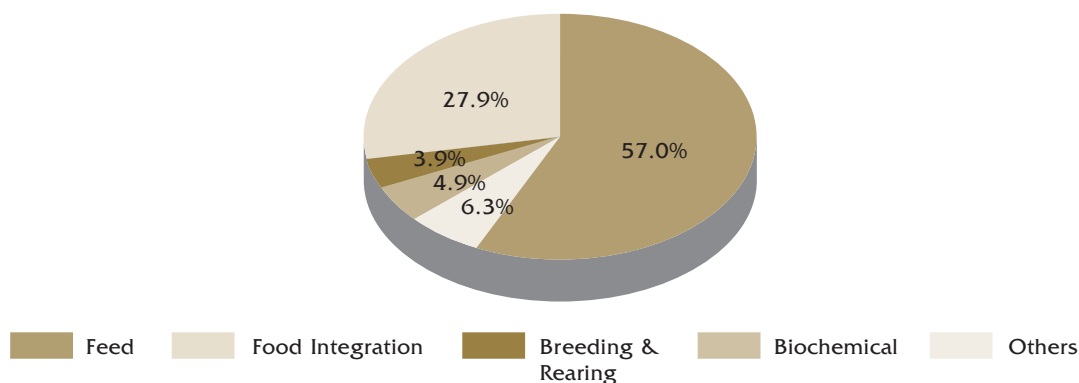
### BUSINESS REVIEW

For the six months ended 30th June, 2006, C.P. Pokphand Co. Ltd. ("CPP" or the "Company") and its subsidiaries (the "Group") recorded a loss attributable to equity holders of US\$41.1 million. Compared with the same period in 2005, the consolidated turnover decreased from US\$846.9 million to US\$789.3 million, representing a decrease of approximately 6.8%, while overall gross profit margin decreased from 12.4% to 8.1%.

#### Agribusiness

Compared with the same period in 2005, the consolidated turnover of the Group's agribusiness decreased by 6.8% to US\$789.3 million. The drop was the result of a slowdown in the breeding and rearing industry in China, a reduction in the demand for feed and Day-Old-Chicks ("DOCs"), and also the changing business environment in the poultry meat business in China. Good news is that the adverse market environment has not prevented CPP from developing advanced production technologies, practicing farm management standardization and having superior livestock breeding. Furthermore, the Group continues to pursue its development of aquaculture, swine and layer businesses.

Consolidated turnover analysis – by activity



#### Feed

In the first half of 2006, feed remained the largest contributor to the Group in sales, accounting for 57.0% of the Group's consolidated turnover (2005: 56.8%). During the period, consolidated turnover was US\$449.9 million and gross profit was US\$56.9 million.

According to the report "Feed Market Trend Analysis for the 1st half of 2006" issued by the Ministry of Agriculture of the People's Republic of China, the country's total feed production volume decreased 9.2% to 43.0 million tones compared with the corresponding period of 2005. This drop was attributed to the diminishing return seen by the animal breeders which reduced the demand for feed.

According to the Ministry of Agriculture of the People's Republic of China, the domestic market price of broilers and swine feed was RMB2.1/kg and RMB1.8/kg, respectively, indicating a 3.9% and 4.0% drop from the same period last year. Operating under this unfavorable feed market environment, the Group's total feed sales declined 6.4% from the same period last year while gross profit margin went down 2.8%, from 15.4% to 12.6%.

### *Feed (continued)*

The Group's feed products include chicken, swine, aqua, duck and cattle feed, among which poultry and swine accounted for 50% and 38%, respectively, of the total feed sales. Aqua sales increased to 6.3% as a result of the Group's gradual expansion into this business sector. Yet, the aqua feed sector is still in a stage of continuing development; up to now, production volume of aqua feed has reached 91,000 tones.

### *Food Integration*

The food integration business accounted for about 27.9% of the Group's consolidated turnover in the first half of 2006 (2005: 28.4%). Turnover in this segment fell by US\$20.4 million to US\$220.2 million, a 8.5% drop compared with the same period last year. Despite an increase of 15.6%, approximately 99,000 tones in consolidated sales volume, results were offset by the falling raw poultry meat prices in China's domestic market. By and large, the cost of goods sold decreased by 4.0%, leading to an overall gross profit margin of the food integration business of 0.8%.

The food integration business's products include raw food and cooked food, among which raw food constituted 74.3% of the consolidated sales volume. In the first half of 2006, sales volume of raw food rose to 74,000 tones, an increase of 7,200 tones. This 10.9% rise is the initial result of the Group's intensive promotion of its food products under the brand name "Chia Tai". However, the selling price of poultry products entered into a slump under the taint of the bird flu pandemic looming across the industry. As a result, the gross profit of this segment was negatively affected. The Group believes selling prices of poultry products will rebound during the second half of the year due to shortages in the supply of poultry meat caused by a notable reduction of poultry growing activities during the first half of the year.

On the other hand, business growth in the cooked food sector has improved considerably. Consolidated sales volume of cooked food edged up 32.1%, or 6,200 tones, as compared with the same period last year. Approximately, 76.5% of the total cooked food products is for export, mainly to Japan. Compared to the same period last year, export volumes rose 39.6%, reaching a total of 19,000 tones.

The Group's cooked food products have been met with confidence by foreign importers. Since Japan introduced a "Positive List System for Agricultural Chemical Residues" across all imported poultry products, many other companies lost the exportation opportunity after failing to pass the requirements in breeding and rearing, as well as quarantine control.

The Group has adopted a completely closed management system for poultry breeding and a comprehensive quarantine control program; hence, the Group's product quality is unanimously affirmed by the Japanese importers. It is estimated the second half-year export business will continue to grow steadily.

### *Breeding and Rearing*

Breeding and rearing accounted for 3.9% of the Group's consolidated turnover (2005: 4.2%). During the period under review, sales dropped by 13.3% to US\$30.6 million as compared with the same period last year, resulting in a gross loss of US\$6.7 million.



### *Breeding and Rearing (continued)*

In the first half of 2006, the production volume of the Group's DOCs dropped 4.3% to 89.4 million birds, as compared with the same period last year. Not only did the slump in poultry meat market discourage farmers from their active involvement, the increase in corn prices also severely hampered such participation. Compared to the same period last year, the market price of DOCs dropped significantly. According to China Animal Husbandry Information Network, the market price of commercial DOCs on the whole fell in the range of RMB1.38 to RMB1.69 each. In other words, market price per bird averaged RMB1.55, which is equivalent to a drop of 32.0% compared to that of the same period last year. Overall, the Group believes the price for the DOC will definitely rebound especially after the sudden drop during the first six months of the year.

Apart from the poultry business, the Group has also expanded into swine rearing during the recent years. Currently, the Group's swine farms are mainly located in Hubei, Henan, Hunan, Guangxi and Yunnan. Production scale and method are still according to our standardized, advanced and scientific concepts. For the first half of the year, the swine breeding and rearing business constituted 26.8% of the overall breeding and rearing business, with production of 13,000 head of parent stock swine, 22,000 head of piglets and 64,000 head of swine. In the first half of 2006, the Group continues its effort in promoting "Standardized Farming of Swine Rearing", with an aim of enhancing the production volume of swine, as well as stimulating the sales of swine feed.

In addition, the Group continues to carry out its leadership role in the industry, actively promoting safety eggs and layers businesses. During the first half of 2006, activities from the layers business were satisfactory, with a production totaling 625,000 layers and 1,900 tones of eggs, accounting for 8.1% of the overall turnover of the business in breeding and rearing. At the present time, the layer business is still in the development stage.

### *Biochemical*

The Group's biochemical products include Chlortetracycline ("CTC"), Di-Calcium Phosphate and L-Lysine monohydrochloride ("L-Lysine"). In the first half of 2006, turnover of this segment accounted for 4.9% of the Group's consolidated turnover (2005: 5.0%). During the period under review, turnover of the biochemical operation was US\$38.9 million, representing a decrease of 9.0%, as compared with the same period last year. This drop could be accounted for by the reduction in sales volume of Di-Calcium Phosphate and L-Lysine products.

In contrast, the sales volume of CTC grew 9.7% from the same period last year while gross profit margin rose to 28.7% in the first half of 2006. Since CTC constituted 48% of the overall biochemical sales volume, overall gross profit margin edged up slightly to 21.1% from 19.1% of last year.

Shandong Chia Tai Ling Hua Bio-tech Co., Ltd., the Group's subsidiary, was scheduled to carry out its first phase production pilot run in June 2006. Upon completion, the annual production capacity of L-Lysine is expected to reach 100,000 tones.

### *Industrial Business*

This business is operated by the Group's jointly controlled entities. Benefiting from the sustained growth in the China economy, the industrial business line reported a growth of 27.2% in turnover, from US\$121.5 million to US\$154.6 million, during the first half of this year compared with the same period last year. Overall, profit attributable to the equity holders from the industrial business amounted to US\$0.7 million, which was US\$0.1 million more than that of the same period last year.



### Industrial Business (continued)

The development of western China will certainly spur demand for construction machinery. As the sole distributor of Caterpillar Inc.'s products there, the Group anticipates sound business performance for the second half of the year despite raw material prices already at a high level.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2006, the Group had total assets of US\$922.5 million (31st December, 2005: US\$925.4 million). Total debt and debt to equity ratio (debt to equity ratio is calculated by dividing the total borrowings by the equity including minority interests) were US\$530.4 million and 505.8% respectively, as compared to US\$525.4 million and 347.4% as at 31st December, 2005.

Most of the borrowings by the Group are in U.S. dollars and RMB, and the interest rates ranged from 4.6% to 9.8% per annum for the period.

The Group had not engaged in any derivatives for hedging against both the interest and exchange rate.

All sales in the PRC are denominated in RMB, and export sales are denominated in foreign currencies. Foreign currencies are required for purchase of imported raw materials, parts and components, and the Group keeps necessary foreign currencies to meet its operational needs.

### CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations and short term and long term bank loans. The Group had cash and cash equivalents of US\$35.4 million as at 30th June, 2006 (31st December, 2005: US\$66.0 million), a decrease of US\$30.6 million.

### CHARGES ON GROUP ASSETS

As at 30th June, 2006, out of the total borrowings of US\$530.4 million (31st December, 2005: US\$525.4 million) obtained by the Group, only US\$169.1 million (31st December, 2005: US\$143.3 million) were secured and accounted for 31.9% (31st December, 2005: 27.3%) of the total. Certain of the Group's property, plant and equipment and land lease prepayments located in the PRC with net book value of US\$207.0 million (31st December, 2005: US\$218.7 million) have been pledged as security for various short and long term bank loans.

### CONTINGENT LIABILITIES

As at 30th June, 2006, the guarantees provided by the Group were US\$19.4 million (31st December, 2005: US\$7.4 million).

### EMPLOYEE AND REMUNERATION POLICIES

As at 30th June, 2006, the Group employed around 37,000 staff (including 10,000 staff from the jointly controlled entities and associates) in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and prevailing market rate while performance bonuses are granted on a discretionary basis. Other employee benefits include insurance and medical coverage, subsidized training programmes as well as a share option scheme.

## UNAUDITED CONSOLIDATED RESULTS

The board of directors (the "Board") announces the unaudited consolidated results of the Group for the six months ended 30th June, 2006 together with the comparative figures for the corresponding period in 2005 and (for the information purpose) the audited comparative figures for the year ended 31st December, 2005, as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30th June,		Year ended
		2006 (Unaudited) US\$'000	2005 (Unaudited) Restated US\$'000	31st December, 2005 (Audited) US\$'000
<b>Revenue</b>	2	<b>789,299</b>	846,929	1,832,764
Cost of sales		<b>(725,097)</b>	(742,093)	(1,631,676)
Gross profit		<b>64,202</b>	104,836	201,088
Selling and distribution costs		<b>(34,472)</b>	(30,878)	(69,690)
General and administrative expenses		<b>(49,674)</b>	(42,495)	(99,903)
Other income	3	<b>963</b>	16,419	23,615
Other losses	4	<b>(2,938)</b>	(8,856)	(16,748)
Finance costs		<b>(17,492)</b>	(17,483)	(28,607)
Share of profits and losses of:				
Jointly controlled entities		<b>(3,175)</b>	(1,305)	5,783
Associates		<b>553</b>	1,159	2,393
<b>(Loss)/Profit before tax</b>	5	<b>(42,033)</b>	21,397	17,931
Tax	6	<b>(2,455)</b>	(4,096)	(7,505)
<b>(Loss)/Profit for the period</b>		<b>(44,488)</b>	<b>17,301</b>	<b>10,426</b>
<b>Attributable to:</b>				
Equity holders of the Company		<b>(41,090)</b>	11,952	4,825
Minority interests		<b>(3,398)</b>	5,349	5,601
		<b>(44,488)</b>	<b>17,301</b>	<b>10,426</b>
		<b>US cents</b>	<b>US cent</b>	<b>US cent</b>
(Loss)/Earnings per share attributable to ordinary equity holders of the Company:	7			
Basic		<b>(1.422)</b>	0.498	0.182
Diluted		<b>N/A</b>	N/A	0.179
Dividend per share		<b>-</b>	<b>-</b>	<b>-</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Six months	Year ended	
		ended 30th June,	2005	31st December,
		2006	2005	2005
		(Unaudited)	(Unaudited)	(Audited)
		US\$'000	US\$'000	US\$'000
Surplus on revaluation		–	–	542
Exchange differences on translation of foreign currency financial statements and exchange realignment	12	<u>1,616</u>	<u>–</u>	<u>3,337</u>
Net gains not recognized in the income statement		<u>1,616</u>	<u>–</u>	<u>3,879</u>
Equity-settled share option arrangement		–	8,470	8,470
Release of reserves upon disposals of subsidiaries		–	2,822	(2,038)
Acquisition of additional interests in a subsidiary		–	120	(292)
Capital contribution by minority interests		–	–	1,952
Dividends paid to minority interests	12	(3,501)	(1,517)	(3,988)
Net (loss)/profit for the period/year	12	<b>(44,488)</b>	17,301	10,426
Issue of shares, including share premium		<u>–</u>	<u>30,000</u>	<u>30,000</u>
Total changes in equity		<u><b>(46,373)</b></u>	<u>57,196</u>	<u>48,409</u>



## CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	<b>30th June, 2006 (Unaudited) US\$'000</b>	31st December, 2005 (Audited) US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	8	453,163	452,157
Investment properties		3,217	3,185
Land lease prepayments		38,383	38,282
Non-current livestock		12,078	9,864
Interests in jointly controlled entities		61,732	51,432
Interests in associates		23,676	28,048
Available-for-sale investments		1,485	1,480
Goodwill		2,703	2,703
Deferred tax assets		2,404	2,404
		<u>598,841</u>	<u>589,555</u>
<b>Current assets</b>			
Current livestock		19,012	17,505
Inventories		170,401	163,860
Accounts receivable, other receivables and deposits	9	70,894	64,029
Bills receivable		187	175
Tax recoverable		–	434
Amounts due from related companies		11,743	10,968
Fixed and pledged deposits		16,050	12,890
Cash and cash equivalents		35,396	65,954
		<u>323,683</u>	<u>335,815</u>
<b>Total current assets</b>			



## CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Notes	30th June, 2006 (Unaudited) US\$'000	31st December, 2005 (Audited) US\$'000
<b>Current liabilities</b>			
Accounts payable, other payables and accrued expenses	10	236,847	193,980
Bills payable		26,712	30,572
Tax payable		5,243	4,540
Provisions for staff bonuses and welfare benefits		8,942	8,893
Amounts due to related companies		9,527	10,738
Interest-bearing bank loans and other loans		400,066	388,989
<b>Total current liabilities</b>		<b>687,337</b>	637,712
<b>Net current liabilities</b>		<b>(363,654)</b>	(301,897)
<b>Total assets less current liabilities</b>		<b>235,187</b>	287,658
<b>Non-current liabilities</b>			
Interest-bearing bank loans and other loans		(130,331)	(136,429)
<b>Net assets</b>		<b>104,856</b>	151,229
<b>Equity</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	11	28,898	28,898
Share premium account	12	73,897	73,897
Reserves	12	(46,572)	(6,672)
		56,223	96,123
<b>Minority interests</b>	12	48,633	55,106
<b>Total equity</b>		<b>104,856</b>	151,229

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30th June,	
	2006	2005
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Net cash inflow from operating activities before tax	27,773	48,237
Tax paid	(1,339)	(4,152)
Net cash inflow from operating activities	26,434	44,085
Net cash outflow from investing activities	(34,601)	(23,643)
Net cash (outflow)/inflow before financing activities	(8,167)	20,442
Net cash outflow from financing activities	(23,196)	(40,514)
Decrease in cash and cash equivalents	(31,363)	(20,072)
Effect of exchange rate changes, net	805	–
Cash and cash equivalents at beginning of period	65,954	74,369
Cash and cash equivalents at end of period	35,396	54,297



## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standards ('IAS') 34 'Interim Financial Reporting' promulgated by the International Accounting Standards Board and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December, 2005.

The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st December, 2005. As described in the annual financial statements for the year ended 31st December 2005, the following amendments to standards and interpretations are mandatory for financial year with annual period beginning on or after 1st January 2006:

- Amendment to IAS 21, Amendment to 'Net investment in a foreign operation';
- Amendment to IAS 39, Amendment to 'The fair value option';
- Amendments to IAS 39 and IFRS 4, Amendments to 'Financial guarantee contracts'; and
- IFRIC Interpretation 4, 'Determining whether an arrangement contains a lease'.

Management has assessed the impact of the above IAS where the adoption of these IAS did not result in material impact on the financial statements of the Group and no substantial changes to the Group's accounting policies.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- IFRIC Interpretation 7, 'Applying the Restatement Approach under IAS 29', effective for annual periods beginning on or after 1st March 2006;
- IFRIC Interpretation 8, 'Scope of IFRS 2', effective for annual periods beginning on or after 1st May 2006;
- IFRIC Interpretation 9, 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1st June 2006; and
- IFRS 7, 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1st January 2007. Amendment to IAS 1, Amendment to 'Capital disclosures', effective for annual periods beginning on or after 1st January 2007.

The Group is assessing the impact of the above standards, interpretations and amendments.



## 2. Revenue

Revenue, which is also the Group's turnover, represents rental income and the net invoiced value of sales after allowances for goods returned and trade discounts and after elimination of intra-group transactions.

### Segmental information

Business segments

	<b>Feedmill and poultry operations and trading of agricultural products</b> <i>US\$'000</i>	<b>Manufacture and sale of motorcycles and accessories for automotives</b> <i>US\$'000</i>	<b>Investment and property holding</b> <i>US\$'000</i>	<b>Total</b> <i>US\$'000</i>
<b>For the six months ended 30th June, 2006</b>				
Segment revenue:				
Total sales	<b>866,205</b>	–	<b>34</b>	<b>866,239</b>
Intersegment sales	<b>(76,908)</b>	–	<b>(32)</b>	<b>(76,940)</b>
Sales to external customers	<b>789,297</b>	–	<b>2</b>	<b>789,299</b>
Segment results	<b>(26,337)</b>	<b>(1,560)</b>	<b>7,953</b>	<b>(19,944)</b>
Other income	<b>361</b>	–	<b>167</b>	<b>528</b>
Other losses	<b>(2,938)</b>	–	–	<b>(2,938)</b>
Interest income				<b>435</b>
Finance costs				<b>(17,492)</b>
Share of profits and losses of jointly controlled entities	<b>(5,431)</b>	<b>2,256</b>	–	<b>(3,175)</b>
Share of profits and losses of associates	<b>553</b>	–	–	<b>553</b>
Loss before tax				<b>(42,033)</b>
Tax				<b>(2,455)</b>
Loss for the period				<b>(44,488)</b>
<b>For the six months ended 30th June, 2005 (restated)</b>				
Segment revenue:				
Total sales	934,055	–	36	934,091
Intersegment sales	(87,130)	–	(32)	(87,162)
Sales to external customers	846,925	–	4	846,929
Segment results	28,517	(1,529)	4,475	31,463
Other income	15,083	–	–	15,083
Other losses	(277)	–	(8,579)	(8,856)
Interest income				1,336
Finance costs				(17,483)
Share of profits and losses of jointly controlled entities	(3,437)	2,132	–	(1,305)
Share of profits and losses of associates	1,159	–	–	1,159
Profit before tax				21,397
Tax				(4,096)
Profit for the period				17,301

### 3. Other income

	Six months ended 30th June,		Year ended 31st December,
	2006 (Unaudited) US\$'000	2005 (Unaudited) US\$'000	2005 (Audited) US\$'000
Excess over the cost of business combination recognized as income	-	-	192
Gain on disposal of subsidiaries	-	15,083	21,270
Gain on deregistration of a subsidiary	167	-	-
Unrealised gain on revaluation of livestock	-	-	1,149
Changes in fair value of investment properties	-	-	4
Interest income	435	1,336	1,000
Tax refund in respect of reinvestment of distributed earnings from the PRC ventures	361	-	-
	<u>963</u>	<u>16,419</u>	<u>23,615</u>

### 4. Other losses

	Six months ended 30th June,		Year ended 31st December,
	2006 (Unaudited) US\$'000	2005 (Unaudited) US\$'000	2005 (Audited) US\$'000
Loss on disposal of a jointly controlled entity	-	-	14
Unrealised loss on revaluation of livestock	227	-	-
Impairment of investment	-	109	-
Impairment of items of property, plant and equipment	2,711	-	8,264
Impairment of goodwill	-	277	-
Equity-settled share option expense	-	8,470	8,470
	<u>2,938</u>	<u>8,856</u>	<u>16,748</u>

### 5. (Loss)/Profit before tax

	Six months ended 30th June,		Year ended 31st December,
	2006 (Unaudited) US\$'000	2005 (Unaudited) US\$'000	2005 (Audited) US\$'000
The Group's (loss)/profit before tax is arrived at after (crediting)/charging:			
Foreign exchange (gain)/loss, net	(1,211)	217	(29)
Depreciation	25,009	25,287	47,604
Amortization of land lease prepayments	1,041	750	1,330
Staff costs	57,934	48,764	102,671
Equity-settled share option expense	-	8,470	8,470
Loss on disposal of property, plant and equipments, net	156	176	483
Impairment of investment	-	109	-
Impairment of goodwill	-	277	-
	<u>(1,211)</u>	<u>25,287</u>	<u>47,604</u>







## 6. Tax

	Six months ended 30th June,		Year ended 31st December,
	2006 (Unaudited) US\$'000	2005 (Unaudited) Restated US\$'000	2005 (Audited) US\$'000
The Group:			
Provision for taxation in respect of profit for the period/year:			
PRC:			
Hong Kong	-	-	-
Mainland China	2,455	3,308	7,637
Deferred	-	788	(132)
	<u>2,455</u>	<u>4,096</u>	<u>7,505</u>
Tax charge for the period/year	<u>2,455</u>	<u>4,096</u>	<u>7,505</u>

No provision for Hong Kong profits tax has been made as the Group earned no assessable income in Hong Kong during the period (2005: nil).

## 7. (Loss)/Earnings per share attributable to ordinary equity holders of the Company

(Loss)/Earnings per share is calculated based on the net loss from ordinary activities attributable to equity holders of the Company of US\$41,090,000 (2005: net profit of US\$11,952,000) and 2,889,730,786 shares (2005: weighted average of 2,402,230,786 shares) of the Company in issue during the period.

Diluted loss/earnings per share for the six months ended 30th June, 2005 and 2006 have not been disclosed as the share options and warrants outstanding have an anti-dilutive effect on the basic loss/earnings per share during the six months ended 30th June, 2005 and 2006.

## 8. Property, plant and equipment Group

	Office premises in Hong Kong US\$'000	Office premises in the Mainland China US\$'000	Industrial buildings in the Mainland China US\$'000	Plant and machinery US\$'000	Furniture, fixtures and equipment US\$'000	Motor vehicles and transport facilities US\$'000	Construction in progress US\$'000	Total US\$'000
Cost or valuation:								
1st January, 2006	10,091	8,697	299,365	514,083	73,380	27,103	39,866	972,585
Additions	-	-	345	92	3,676	2,117	20,917	27,147
Transfer in/(out)	-	-	3,527	3,329	967	-	(7,823)	-
Disposals	-	-	(2,982)	(1,475)	(444)	(986)	(104)	(5,991)
Exchange realignment	-	87	3,011	5,276	545	271	401	9,591
<b>30th June, 2006</b>	<u>10,091</u>	<u>8,784</u>	<u>303,266</u>	<u>521,305</u>	<u>78,124</u>	<u>28,505</u>	<u>53,257</u>	<u>1,003,332</u>
Accumulated depreciation and impairment losses:								
1st January, 2006	-	2,833	119,358	331,523	46,450	20,264	-	520,428
Depreciation provided during the period	69	10	6,981	13,970	2,944	1,035	-	25,009
Impairment losses provided during the period	-	-	813	1,898	-	-	-	2,711
Disposals	-	-	(1,037)	(856)	(376)	(849)	-	(3,118)
Exchange realignment	-	28	1,168	3,365	386	192	-	5,139
<b>30th June, 2006</b>	<u>69</u>	<u>2,871</u>	<u>127,283</u>	<u>349,900</u>	<u>49,404</u>	<u>20,642</u>	<u>-</u>	<u>550,169</u>
Net book value:								
<b>30th June, 2006</b>	<u>10,022</u>	<u>5,913</u>	<u>175,983</u>	<u>171,405</u>	<u>28,720</u>	<u>7,863</u>	<u>53,257</u>	<u>453,163</u>
31st December, 2005	<u>10,091</u>	<u>5,864</u>	<u>180,007</u>	<u>182,560</u>	<u>26,930</u>	<u>6,839</u>	<u>39,866</u>	<u>452,157</u>

**9. Accounts receivable, other receivables and deposits**

The Group normally grants a credit period of up to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Accounts receivable, other receivables and deposits are non-interest bearing. An aged analysis of the accounts receivable, other receivables and deposits of the Group is as follows:

	<b>30th June, 2006 (Unaudited) US\$'000</b>	31st December, 2005 (Audited) US\$'000
Accounts receivable:		
Less than 90 days	<b>28,288</b>	23,675
91 to 180 days	<b>1,504</b>	1,781
181 to 360 days	<b>715</b>	805
Over 360 days	<b>5,207</b>	4,991
	<b>35,714</b>	31,252
Other receivables and deposits	<b>40,281</b>	37,878
	<b>75,995</b>	69,130
Less: Provision for bad and doubtful debts	<b>(5,101)</b>	(5,101)
	<b>70,894</b>	64,029

**10. Accounts payable, other payables and accrued expenses**

An aged analysis of the accounts payable, other payables and accrued expenses of the Group is as follows:

	<b>30th June, 2006 (Unaudited) US\$'000</b>	31st December, 2005 (Audited) US\$'000
Accounts payable:		
Less than 90 days	<b>110,388</b>	85,148
91 to 180 days	<b>11,627</b>	5,183
181 to 360 days	<b>6,693</b>	1,532
Over 360 days	<b>1,498</b>	2,848
	<b>130,206</b>	94,711
Other payables and accrued expenses	<b>106,641</b>	99,269
	<b>236,847</b>	193,980

Accounts payable are non-interest bearing and are normally settled on 60-day terms. Other payables and accrued expenses are non-interest bearing and have an average term of one month.



## 11. Issued capital

	Notes	Number of shares		Issued capital	
		30th June, 2006 (Unaudited)	31st December, 2005 (Audited)	30th June, 2006 (Unaudited) US\$'000	31st December, 2005 (Audited) US\$'000
Authorised:					
15,000,000,000 ordinary shares of US\$0.01 each				<u>150,000</u>	<u>150,000</u>
Issued and fully paid:					
At beginning of period/year		<b>2,889,730,786</b>	2,158,480,786	<b>28,898</b>	107,924
Capital reduction	(i)	-	-	-	(86,339)
Issue of subscription shares	(ii)	-	731,250,000	-	7,313
At end of period/year		<u><b>2,889,730,786</b></u>	<u>2,889,730,786</u>	<u><b>28,898</b></u>	<u>28,898</u>

### Notes:

- (i) During the year ended 31st December, 2005, the share capital of the Company was reorganised in the following manner:
- (1) the paid-up capital and nominal value of each issued share was reduced from US\$0.05 to US\$0.01 by cancelling paid-up capital to the extent of US\$0.04 on each issued share of the Company;
  - (2) the authorised but unissued shares be cancelled and the authorised share capital of the Company was increased to the original level by the creation of the requisite number of shares of nominal value US\$0.01 each; and
  - (3) the credit of approximately US\$86,339,000 (based on the 2,158,480,786 shares in issue) arising from the capital reduction was applied to the contributed surplus account of the Company, where it was utilized by the directors in accordance with the by-laws of the Company and all applicable laws, to eliminate the accumulated losses of the Company.
- (ii) On 2nd March, 2005, the Company entered into a subscription agreement with Worth Access Trading Limited ("Worth Access"), an associate of the controlling shareholder of the Company, for raising new equity by way of the subscription. The issuance of subscription shares at a price of HK\$0.32 each for an aggregate consideration of HK\$234,000,000. Under the Companies Act of Bermuda, it is not possible for the Company to issue the subscription shares at a price below the par value per share which stands at US\$0.05 (approximately HK\$0.39) before the capital reorganisation. The implementation of the capital reorganisation will allow the Company to proceed with the subscription.

The capital reorganisation was finalized on 22nd April, 2005. On the same day, the subscription shares were issued and allotted to Worth Access.

## 12. Reserves

	Attributable to equity holders of the Company										
	Share premium account	Share option reserve	Asset revaluation reserve	Capital reserve	Reserve fund	Expansion fund	Exchange equalization reserve	Accumulated losses	Total	Minority interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1st January, 2006	73,897	8,470	7,589	28,865	20,862	10,868	(16,763)	(66,563)	67,225	55,106	122,331
Transfers from/(to)											
accumulated losses	-	-	-	-	1,123	457	-	(1,580)	-	-	-
Transfer to capital reserve (Note)	-	-	-	2,279	(1,140)	(1,139)	-	-	-	-	-
Exchange realignment	-	-	-	-	-	-	1,190	-	1,190	426	1,616
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	(3,501)	(3,501)
Loss for the period	-	-	-	-	-	-	-	(41,090)	(41,090)	(3,398)	(44,488)
<b>30th June, 2006</b>	<b>73,897</b>	<b>8,470</b>	<b>7,589</b>	<b>31,144</b>	<b>20,845</b>	<b>10,186</b>	<b>(15,573)</b>	<b>(109,233)</b>	<b>27,325</b>	<b>48,633</b>	<b>75,958</b>

Note: During the period ended 30 June, 2006, reserve fund and expansion fund of approximately US\$1,140,000 and US\$1,139,000 respectively (2005: nil) were capitalized as a subsidiary's paid up capital, and the amount was transferred to capital reserve on consolidation.

## 13. Related party transactions

- (a) A portion of the Group's sales and purchases transactions, together with certain less significant commercial transactions, are with companies in which Messrs. Sumet Jiaravanon, Dhanin Chearavanont and Thanakorn Seriburi, directors of the Company, have beneficial interests. Details of major related party transactions are set out as follows:

Notes	Six months ended 30th June,		Year ended
	2006 (Unaudited) US\$'000	2005 (Unaudited) US\$'000	31st December, 2005 (Audited) US\$'000
Sales of goods to jointly controlled entities and associates	(i) 11,520	14,596	23,640
Sales of goods to related companies	(i) 14,605	17,013	40,760
Purchases of raw materials from jointly controlled entities and associates	(ii) 26,270	8,997	39,907
Purchases of raw materials from related companies	(ii) 1,034	601	1,139

- (a) Notes:

- (i) The sales of goods were made by reference to the published prices and conditions offered to the major customers of the Group.
- (ii) The purchases of raw materials were made by reference to the published prices and conditions offered to the major customers of the suppliers.



### 13. Related party transactions (continued)

- (b) During the period, the Group paid a technical fee of US\$30,769 (2005: US\$15,385) to Dynamic Corporate Services Limited for the provision of technical and management support services to the Group. The technical fee was determined by reference to the agreed service fees between the parties.

Mr. Robert Ping-Hsien Ho, director of the Company, has beneficial interest in the share capital of Dynamic Corporate Services Limited.

- (c) During the period, Hainan Chia Tai Animal Husbandry Co. Ltd., a wholly-owned subsidiary of the Company, received rental income of approximately US\$315,000 (2005: US\$305,000) from a related party, C.P. Aquaculture (Hainan) Co., Ltd.

- (d) Details of the outstanding balances with related parties are:  
The amounts due from and to related companies are unsecured, non-interest bearing and have no fixed terms of repayment and arose, in the opinion of the directors, in the normal course of the Group's business activities. The carrying amounts of these amounts due from and to related companies approximate to their fair values.

- (e) Compensation of key management personnel of the Group:

	<b>Six months ended 30th June,</b>	
	<b>2006</b> <b>(Unaudited)</b> <b>US\$'000</b>	<b>2005</b> <b>(Unaudited)</b> <b>US\$'000</b>
Short term employee benefits	1,782	1,586
Employee share option benefits	—	6,973
<b>Total compensation paid to key management personnel</b>	<b>1,782</b>	<b>8,559</b>

The key management personnel of the Group are 15 directors and 4 senior management.

### 14. Comparative amounts

Due to the adoption of new IASs and IFRSs for the year ended 31st December, 2005, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirement. Accordingly, certain comparative amounts have been reclassified/restated to conform with the current period's presentation and accounting treatment.

### INTERIM DIVIDEND

The Board does not recommend an interim dividend for the six months ended 30th June, 2006 (2005: nil).

### FINANCIAL REVIEW

The following analyses are the Group's combined and attributable turnover under management (including turnover of the Company's jointly controlled entities and associates):

#### Analysis of the Group's combined and attributable turnover under management

Six months ended 30th June, 2006

	<b>Combined turnover</b>		<b>Group share</b>	<b>Attributable turnover</b>	
	<i>US\$ million</i>	%		<i>US\$ million</i>	%
PRC agri-business	1,140.7	88.1	29-100	868.5	92.0
PRC industrial business	154.6	11.9	28-55	75.9	8.0
	<u>1,295.3</u>	<u>100.0</u>		<u>944.4</u>	<u>100.0</u>



## DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Save as disclosed below, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 30th June, 2006.

The Company entered into an agreement (the ‘Loan Facility Agreement’) with two banks in Thailand relating to a loan facility of US\$140.0 million (the ‘Loan Facility’) on 18th April, 2005. The Loan Facility is to be repaid on 14 semi-annual consecutive instalments and the final maturity date of the Loan Facility is 28th April, 2012. As at 30th June, 2006, the outstanding amount owing by the Company under the Loan Facility was US\$128.8 million.

Pursuant to the Loan Facility Agreement, it would be an event of default if the Company fails to procure that (1) C.P. Intertrade Co., Ltd. (“CP Intertrade”) at all times maintains its shareholding in CPI Holding Co., Ltd. (“CPI”) at not less than 99% (CP Intertrade currently holds 100% of the issued share capital of CPI) and (2) CPI and its affiliates (being (i) any person or entity which has a direct or indirect interest in CPI, or (ii) any company in which any such person(s) and/or entity(ies) together hold not less than a 30% interest) together at all times maintain their aggregate shareholding in the Company at not less than 46.51 %. An affiliate of CPI has also undertaken to provide to the Company by way of equity injections or subordinated loans the proceeds of sale of its assets if and when it disposes of its assets. If any of the abovementioned events of default occurs, all amounts outstanding under the Loan Facility would become immediately due and payable by the Company.

## DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30th June, 2006, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) were as follows:

### (i) Long position in shares of the Company

Name of director/ chief executive	Number of shares held, capacity and nature of interest				Total number of shares	Approximate percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust		
Mr. Sumet Jiaravanon	1,004,014,695	-	-	-	1,004,014,695	34.74





## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES (CONTINUED)

### (ii) Directors' interest in share options granted by the Company

Pursuant to the old share option scheme (the "Old Scheme") adopted on 10th April, 1992 which expired on 10th April, 2002 and the existing share option scheme (the "Existing Scheme") adopted by the Company on 26th November, 2002, certain directors were granted share options. As at 30th June, 2006, the interests of the directors of the Company in options to subscribe for shares in the capital of the Company under the Old Scheme and the Existing Scheme were as follows:

Name of director	Date of grant	Number of shares issuable upon exercise of options held as at 30th June, 2006	Period during which options are exercisable	Price per share to be paid on exercise of options HK\$	Approximate percentage of shareholding %
Mr. Sumet Jiaravanon	26th February, 2003	12,800,000	26th February, 2003 to 25th February, 2013	0.3900	0.4429
	3rd May, 2004	12,800,000	3rd May, 2004 to 2nd May, 2014	0.3900	0.4429
	19th May, 2005	12,000,000	19th May, 2005 to 18th May, 2015	0.3540	0.4153
Mr. Dhanin Chearavanont	26th February, 2003	12,800,000	26th February, 2003 to 25th February, 2013	0.3900	0.4429
	3rd May, 2004	12,800,000	3rd May, 2004 to 2nd May, 2014	0.3900	0.4429
	19th May, 2005	12,000,000	19th May, 2005 to 18th May, 2015	0.3540	0.4153
Mr. Thanakorn Seriburi	10th August, 1998	17,500,000	10th August, 1998 to 10th August, 2008	0.3875	0.6056
	26th February, 2003	21,584,807	26th February, 2003 to 25th February, 2013	0.3900	0.7469
	3rd May, 2004	20,000,000	3rd May, 2004 to 2nd May, 2014	0.3900	0.6921
	19th May, 2005	21,000,000	19th May, 2005 to 18th May, 2015	0.3540	0.7267
Mr. Meth Jiaravanont	19th May, 2005	21,000,000	19th May, 2005 to 18th May, 2015	0.3540	0.7267
Mr. Robert Ping-Hsien Ho	26th February, 2003	21,584,807	26th February, 2003 to 25th February, 2013	0.3900	0.7469
	3rd May, 2004	20,000,000	3rd May, 2004 to 2nd May, 2014	0.3900	0.6921
	19th May, 2005	21,000,000	19th May, 2005 to 18th May, 2015	0.3540	0.7267

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES (continued)

### (ii) Directors' interest in share options granted by the Company (continued)

Save as disclosed above, as at 30th June, 2006, none of the directors and chief executives of the Company had any interest or short position in shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he is taken or deemed to have under such provisions of the SFO), recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30th June, 2006, the following persons (other than a director or chief executive of the Company) had the interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Number of shareholders	Notes	Capacity and nature of interest	Name of shares held (Note 1)	Approximate percentage of the Company's issued share capital %
Krung Thai Bank Public Company Limited	(2)	Person having a security interest in shares	1,004,014,695 (L)	34.74
CPI Holding Co., Ltd.	(3)	Beneficial owner	1,004,014,695 (L and S)	34.74
C.P. Intertrade Co., Ltd.	(3)	Interest of a controlled corporation	1,004,014,695 (L and S)	34.74
Worth Access Trading Limited	(4)	Beneficial owner	1,059,190,000 (L)	30.54
Charoen Pokphand Holding Company Limited	(4)	Interest of a controlled corporation	1,059,190,000 (L)	30.54
Charoen Pokphand Group Company Limited	(4)	Interest of a controlled corporation	1,059,190,000 (L)	30.54
Mr. Marc Lasry	(5)	Interest of controlled corporations	147,426,000 (L)	5.10



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Number of shareholders	Notes	Capacity and nature of interest	Name of shares held (Note 1)	Approximate percentage of the Company's issued share capital %
Ms. Cathy Cohen	(5)	Interest of spouse	147,426,000 (L)	5.10
Avenue Asia Capital Management Genpar LLC	(5)	Interest of controlled corporations	147,426,000 (L)	5.10
Avenue Asia Capital Management, L.P.	(5)	Interest of controlled corporations	147,426,000 (L)	5.10

*Notes:*

- (1) The letter "L" denotes a long position whilst the letter "S" denotes a short position.
- (2) 1,004,014,695 shares were held by Krung Thai Bank Public Company Limited as security.
- (3) CPI Holding Co., Ltd. beneficially owned 1,004,014,695 shares. It also has a short position in 1,004,014,695 shares. C.P. Intertrade Co., Ltd. has declared an interest in these shares by virtue of its shareholding in CPI Holding Co., Ltd.
- (4) Worth Access Trading Limited has a long position in 1,059,190,000 shares (including 481,250,000 shares and the subscription rights of 577,940,000 shares attached to the warrants). Charoen Pokphand Holding Company Limited has declared an interest in these same 1,059,190,000 shares by virtue of its shareholding in Worth Access Trading Limited whilst Charoen Pokphand Group Company Limited also declared an interest in such number of shares by virtue of its shareholding in Charoen Pokphand Holding Company Limited.
- (5) Avenue Asia Capital Management, L.P. beneficially owned 147,426,000 shares. Avenue Asia Capital Management Genpar LLC has declared an interest in these shares by virtue of its shareholding in Avenue Asia Capital Management, L.P.. Mr. Marc Lasry has declared an interest in these shares by virtue of its shareholding in Avenue Asia Capital Management Genpar LLC. Ms. Cathy Cohen being the spouse of Mr. Marc Lasry is deemed to be interested in Mr. Marc Lasry's interests.

Save as disclosed above, so far as is known to the directors, as at 30th June, 2006, no person (not being a director or chief executive of the Company) had an interest or a short position in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

Details of the directors' interest in the Old Scheme and the Existing Scheme are set out in the sub-section headed "Directors' interest in share options granted by the Company" under section headed "Directors' and chief executives' interests and short positions in shares, underlying shares or debentures" above.

### Outstanding share options

As at 30th June, 2006, options to subscribe for an aggregate of 697,744,234 shares (which include the options granted to certain Directors as disclosed above) of the Company granted pursuant to the Old Scheme and the Existing Scheme were outstanding. Details are as follows:

Category of participant	Number of share options					At 30th June, 2006	Date of grant	Exercise period	Exercise price (HK\$)
	At 1st January, 2006	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
(i) Directors in aggregate	17,500,000	-	-	-	-	17,500,000	10th August 1998	10th August, 1998 to 10th August, 2008	0.3875
	68,769,614	-	-	-	-	68,769,614	26th February 2003	26th February, 2003 to 25th February, 2013	0.3900
	65,600,000	-	-	-	-	65,600,000	3rd May 2004	3rd May, 2004 to 2nd May, 2014	0.3900
	87,000,000	-	-	-	-	87,000,000	19th May 2005	19th May, 2005 to 18th May, 2015	0.3540
(ii) Other senior executives in aggregate	60,739,236	-	-	-	-	60,739,236	26th February 2003	26th February, 2003 to 25th February, 2013	0.3900
	49,248,078	-	-	-	-	49,248,078	3rd May 2004	3rd May, 2004 to 2nd May, 2014	0.3900
	41,848,078	-	-	-	-	41,848,078	19th May 2005	19th May, 2005 to 18th May, 2015	0.3540
(iii) Other employees in aggregate	7,700,000	-	-	-	-	7,700,000	10th August 1998	10th August, 1998 to 10th August, 2008	0.3875
(iv) Other participants in aggregate	25,000,000	-	-	-	-	25,000,000	10th August 1998	10th August, 1998 to 10th August, 2008	0.3875
	86,339,228	-	-	-	-	86,339,228	26th February 2003	26th February, 2003 to 25th February, 2013	0.3900
	80,000,000	-	-	-	-	80,000,000	3rd May 2004	3rd May, 2004 to 2nd May, 2014	0.3900
	108,000,000	-	-	-	-	108,000,000	19th May 2005	19th May, 2005 to 18th May, 2015	0.3540
	<u>697,744,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,744,234</u>			



## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance that properly protect and promote the interests of all the shareholders and enhance corporate value and accountability.

The Company has complied with all the code provisions prescribed in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 30th June, 2006, save for the deviation from code provision A.4.2.

This provision stipulates that every director, including one appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company was incorporated in Bermuda under the C.P. Pokphand Company Act, 1988 ("Private Act"). Pursuant to paragraph 3(e) of the Private Act, any executive chairman and any managing director shall not be subject to retirement by rotation at each annual general meeting. In order to achieve the intended effect of this Code provision, Mr. Dhanin Chearavanont, the Executive Chairman, intends to voluntarily retire by rotation in such manner and at such frequency as provided for other directors under the Bye-Laws of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry of all directors, the directors have complied with the required standard as set out in the Model Code throughout the six months ended 30th June, 2006.

## AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive directors of the Company. The establishment of the Audit Committee serves to enhance corporate governance practice. The principal duties of the Audit Committee include the reviewing and supervising of the Group's financial reporting process and internal controls. The Audit Committee has reviewed the Group's unaudited financial results for the six months ended 30th June, 2006.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period under review.

By Order of the Board  
**Robert Ping-Hsien Ho**  
*Director*

Hong Kong, 15th September, 2006

As at the date of this interim report, the Board comprises twelve executive directors, namely Mr. Sumet Jiaravanon, Mr. Dhanin Chearavanont, Mr. Thanakorn Seriburi, Mr. Meth Jiaravanont, Mr. Anan Athigapanich, Mr. Damrongdej Chalongphuntarat, Mr. Robert Ping-Hsien Ho, Mr. Bai Shanlin, Mr. Soopakij Chearavanont, Mr. Nopadol Chiaravanont, Mr. Benjamin Jiaravanon and Mr. Narong Chearavanont, and three independent non-executive directors, namely Mr. Kowit Wattana, Mr. Sombat Deo-isres and Mr. Ma Chiu Cheung, Andrew.