

# Q&A with

## CHIEF EXECUTIVE OFFICER

*Mr. Damrongdej Chalongphuntarat*

Q1

**WHAT IMPACT DOES THE CHINESE CONSTRUCTION OF A NEW SOCIALIST COUNTRYSIDE BRING TO THE ENTIRE FEED AND ANIMAL HUSBANDRY INDUSTRIES?**

A1

The new socialist countryside will become the formidable driving force for the feed and the animal husbandry industries. The major goal for the new socialist countryside is to improve the countryside's outdated production capabilities so as to increase farmers' income. Given China's standing as a major agricultural and animal husbandry nation, for the countryside to increase its production capacity, China must move to an industrialized path for its animal husbandry industry.

Traditional livestock raising is less efficient than the industrialized way, and also unable to stamp out the increasing threat of animal-borne epidemic diseases. As a result, it is harder for the products to meet the increasing demand in the market for food safety and quality. As the animal husbandry industry develops, livestock growers are starting to realize the need for quality animal feeds. The ongoing construction of the new socialist countryside therefore gives an added impetus to both the feed and animal husbandry industries.

Q2

**HOW DOES CPP PLAN TO MANAGE GROWTH IN THESE TWO BUSINESS SECTORS?**

A2

On the feed business front, we are aggressively continuing to develop our sole agents' sales and distribution network at the village level so as to facilitate the purchase of our feed by farmers. Simultaneously, we are strengthening our after-sales service, providing comprehensive support in farming technology and management, thereby improving the farmers' rearing standards and their ability to achieve profits.

On the animal husbandry front, we are continuing vigorously to promote stockbreeding and stockraising technological standards, leading more farmers toward standardized production techniques. At the same time, we are continuing to advance our modern farming management known as "Company + Farmers" so as to realize a win-win arrangement with the farmers.



Q3

**CPP PROMOTES THE USE OF STANDARDIZED BREEDING FARMS. HOW IS THIS DIFFERENT THAN TRADITIONAL FARMING METHODS?**

A3

The standardized breeding farm is in contrast to those traditional farming methods which reared in open-air and in scattered operations versus the more scientific and technologically based farming. Generally, standardized farms are tending towards large-scale operations and poultry houses that use heat insulated building materials. The houses are equipped with complete computerized mechanical ventilation systems which can be adjusted according to the season and the different growth stages of the animals. The feed systems are automatically controlled to minimize feed wastage and are designed to avoid most changes in feed caused by pollution and mildew.

Q4

**WHAT STEPS HAVE CPP TAKEN TO CARRY OUT THE LONG-TERM VISION OF "KITCHEN OF THE WORLD"?**

A4

To increase the competitive edge in our food business, we are now expanding our food product lines by adding more egg and swine products. We also have built two new food product research and development centers in China over the past year in addition to our existing six centers. All our cooked food processing factories have already obtained export approvals from the government. We have more than 300 different varieties available including fresh and frozen broilers, cuts, marinated meats, prepared meats and ready-to-eat products. Currently, we sell domestically to provinces, cities and autonomous regions in China as well as to distant countries like Japan, Korea and Africa. We are also actively working on expanding into other regions of the world such as Russia.

Q5

**THERE HAVE BEEN MANY FOOD SCANDALS IN CHINA INCLUDING THE RECENT "SALTED RED-YOLK EGGS" CONTAMINATED WITH DANGEROUS RED SUDAN DYES. WHAT STEPS HAS CPP TAKEN TO ADDRESS THESE CHALLENGES?**

A5

Food safety is a top concern for CPP. We are dedicated to providing food products which are high in quality, nutritious, hygienic as well as safe. All our farm products adhere to the highest international ISO9001, GMP, and HACCP food safety standards. All our egg laying chickens are from our best breeds and are fed with our quality Chia Tai feed. All poultry houses are closed systems and are equipped with advanced automated heating, ventilation and water systems which also can be remotely controlled. We have a complete testing system in place for animal surveillance and disease prevention with advanced test instruments and technology. We are totally committed to producing high quality and safe-to-eat table eggs for all our consumers.