



Charoen Pokphand Foods Public Company Limited

PUT OUR HEART INTO FOOD



Annual Report 2020
(56-1 One Report)

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Definition : "The Company" mentioned in Part 1-2 refers to Charoen Pokphand Foods Plc. ("CPF") and its subsidiaries (companies which CPF has direct and indirect control)

Message from Executives



Mr. Soopakij Chearavanont
Chairman

Mr. Prasit Boondoungprasert
Chief Executive Officer

Member of
**Dow Jones
Sustainability Indices**
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Sustainability Award
Silver Class 2021
S&P Global





In 2020, The Company underwent drastic changes due to the novel coronavirus 19 (COVID-19) pandemic. Disruptive technology, rapidly changing behavior of customers in line with the new normal lifestyles as well as more extreme climate events have materially impacted the global economy. They also brought about intensified challenges for the Company to overcome while driving for business growth and ensuring overall wellbeing of our stakeholders.

The Company engages in fully integrated agro-industrial and food businesses, with investments in 17 countries around the world, and beacons by the vision of being “**the Kitchen of the World**”. The company aims to achieve food security through its continual innovations that deliver top quality products and services. Concurrently, we strive to maintain the balance of business success and the value delivered to all stakeholders in alignment with the Three Benefits Principle, the benefit for the nation, for the people, and for the organization. Our operation firmly supports the United Nations Sustainable Development Goals (UNSDGs); and ensures compliance with good corporate governance.

The Company is a large market capitalization company in the Stock Exchange of Thailand. In 2020, the Company reported sales revenue of 589,713 million baht, total assets of 761,719 million baht, net profit of 26,022 million baht, and tax paid of 9,038 million baht. The Board of Directors resolved to propose to the 2020 Annual General Meeting of Shareholders for the approval of 2020 dividend payment at the rate of 1.00 baht per share, comprising the interim dividend of 0.40 baht per share paid on September 11, 2020, and the final dividend to be paid on May 28, 2021 totaling 0.60 baht per share.

Albeit the impacts from COVID-19 crisis which hindered the purchasing power of several economies and brought the business to a halt during the state's lockdown period, the Company stood strong and

continued to deliver healthy performance with its net profit growth of 41%. This was the fruitful result of business expansion in various economies, accomplished by systematic crisis management as well as efficient preventive system in our farming business. In addition, the aquaculture business performance in Thailand further improved mainly due to the adjustment in marketing strategies and business operations.

The year 2020 also saw significant investments of the Company for the purpose of business expansion and operating advancements. Among them were 1) the merger of feed and swine businesses in China¹ which become one of the five largest swine businesses in China; and 2) the investment in Tesco Asia Group¹, a leading retailer in Thailand and Malaysia.

Remark:

¹ Detail of the transaction can be found in Note to Financial Statement Year 2020



Regarding the management during the COVID-19 pandemic, the Company applied the maximum level of disease preventive measures in order to ensure continuity of production and operations while the safety and hygiene of employees remained its priority. The Company worked with the governments in all countries in which that it has presence to provide food support for healthcare workers at over 200 public hospitals and surrounding communities. Additionally, we responded to the government policy to drive the Thai economy by means of new graduate employment; and we shortened the payment term from 60 to 30 days to enhance liquidity of 6,000 SMEs business partners.

Climate change is among priorities of the global community. the Company focused on contributing to the solution based on the circular economy principle, embedded as an element in its business planning. Renewable energy, water management, food waste reduction and zero food waste management, reduction of single-use plastic containers throughout the supply chain, and restoration of mangrove and watershed forest, which are the key resources of the nation, were inclusively included in our consideration.

On behalf of the Board of Directors, executives, and employees, we would like to express gratitude toward all stakeholders for their long-established trust. The Company is committed to produce quality products to strengthen food safety and food securities along with enhancing efficiency by using innovation to increase competitiveness to its core businesses, while promote sustainable growth of the Company and contribute to the nation and the people in its capability of the **"Kitchen of the World"**.



Mr. Soopakij Chearavanont
Chairman



Mr. Prasit Boondoungprasert
Chief Executive Officer



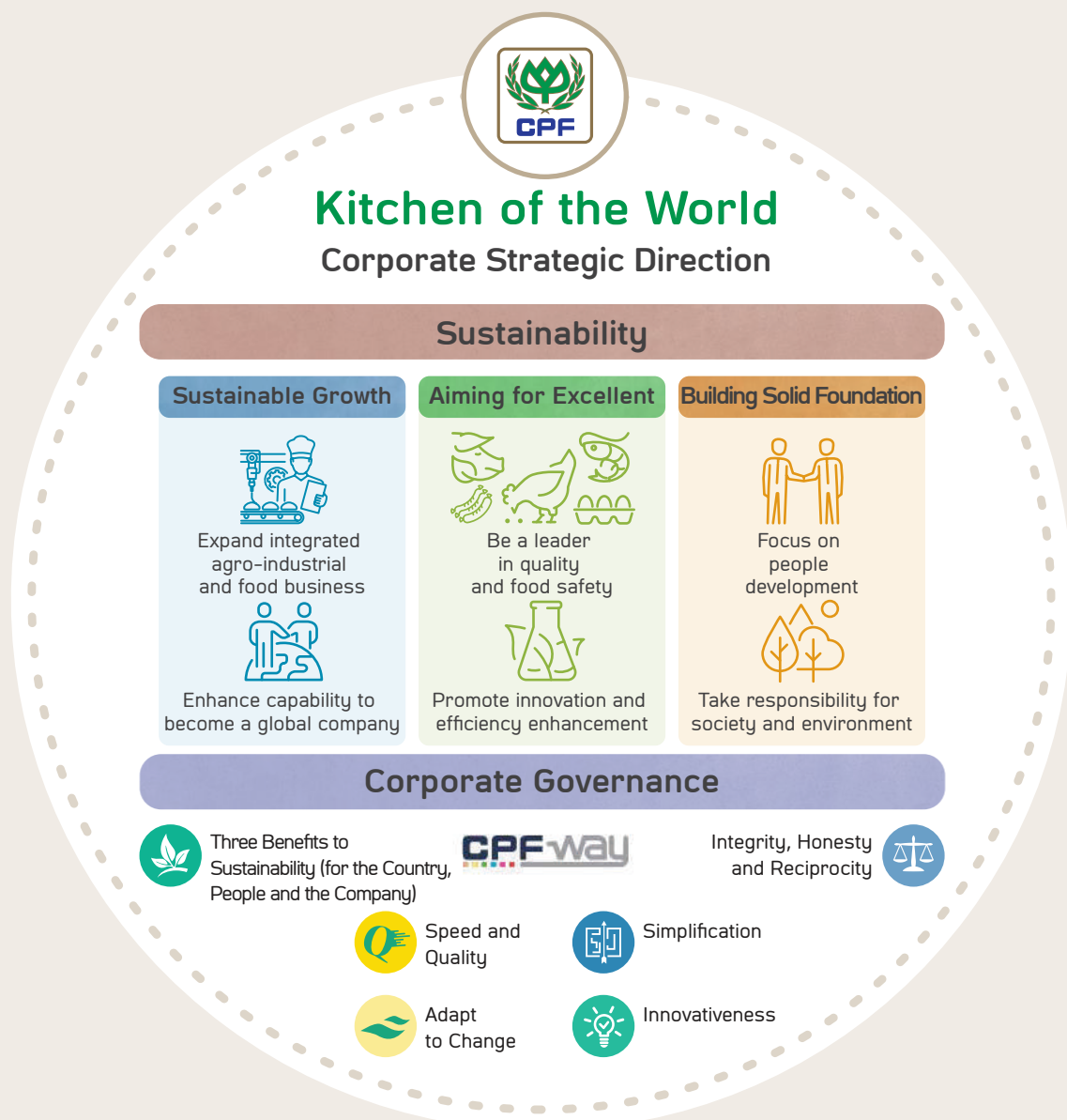
Our Purpose

Vision: Kitchen of the World

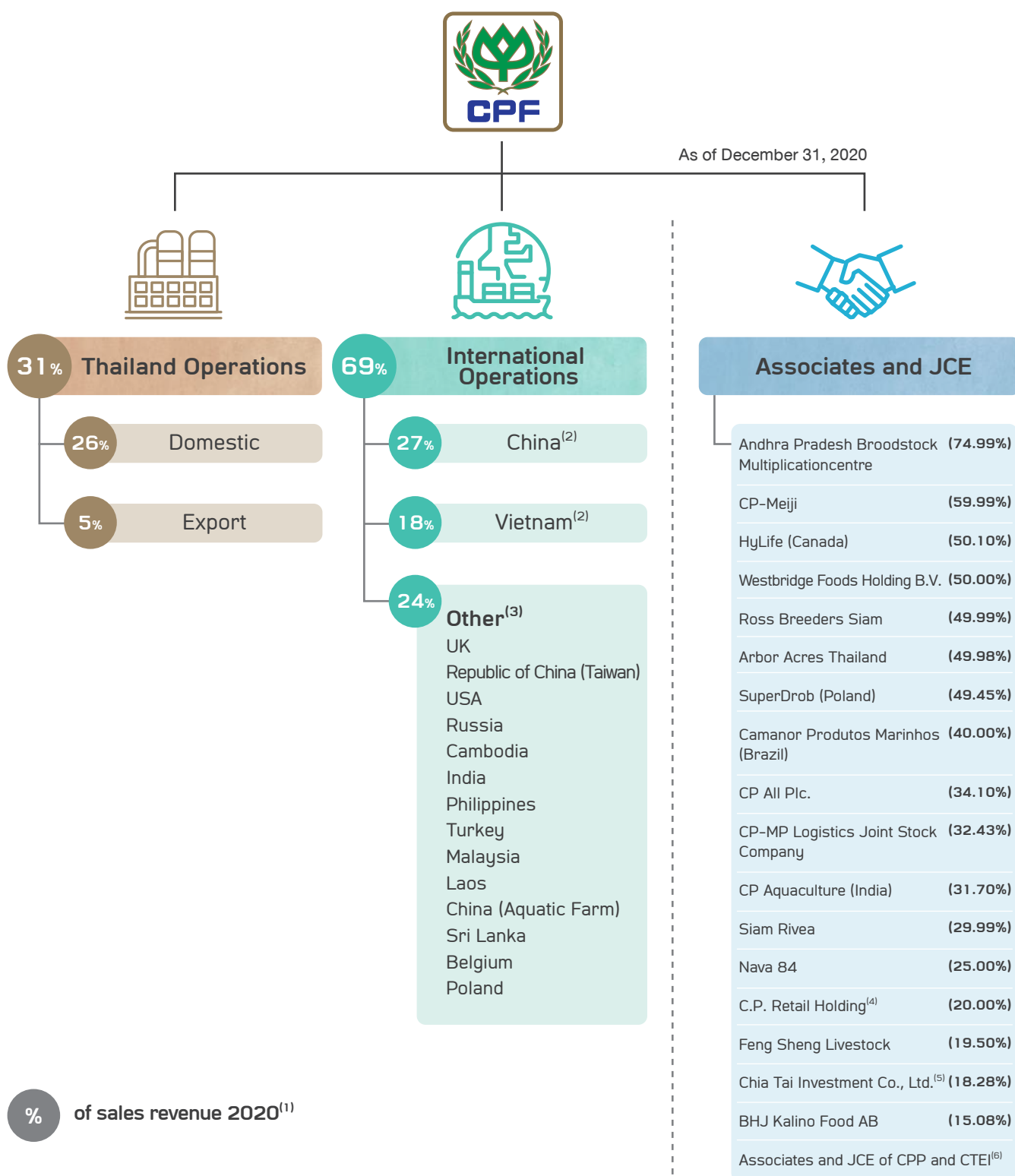
To deliver top quality products to consumers in every corner of the world.

Mission:

The Company operates vertically integrated agro-industrial and food businesses to offer top quality products in terms of nutrition, taste, food safety, and traceability. The Company is determined to build business growth in strategic locations with the focus to maintain world-class, modern production process as well as efficient and ecofriendly consumption of natural resources in order to enhance its competencies and competitive edge on an international level. We take into account the interests of all stakeholders to ensure sustainable growth, while being able to continuously generate appropriate returns to shareholders.



Business Structure



Note:

⁽¹⁾ % of sales revenue 2020 represent both direct and indirect holding

⁽²⁾ Operate under C.P. Pokphand Co., Ltd. (CPP)

⁽³⁾ Ranked by sales revenue size

⁽⁴⁾ Investment completed since December 18, 2020

⁽⁵⁾ CTI is an associate of CPP operates feed and swine farm in China. Investment completed since December 1, 2020.

⁽⁶⁾ Group of associates and joint ventures of CPP. Details can be found in Note to financial statements for year 2020.

CPF Worldwide

Operate in

17 Countries

Including Associates and JCE

Export to
more than

40 Countries

Across

5 continents

Feed



Farm and Processing



Swine



Poultry



Aquaculture

Food



North America

2 Countries



USA
Canada



North America

South America

South America

1 Country



Brazil



Europe

5 Countries



England
Russia
Turkey
Belgium
Poland



Europe

Asia

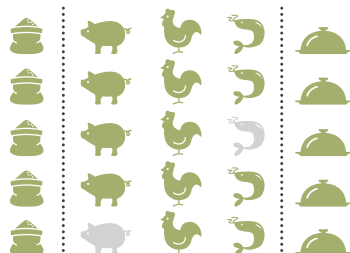


Asia

9 Countries



Thailand
China
Republic of China (Taiwan)
Vietnam
India



Cambodia
Philippines
Malaysia
Laos
Sri Lanka



Business at a Glance



The Company operates vertically **integrated agro-industrial and food businesses** as follows:

- 1 **Feed business** - production and distribution of animal feed
- 2 **Farm and processing business** - animal breeding, farming and primary meat processing
- 3 **Food business** - production of semi-cooked and cooked products as well as ready to eat meals, and food distribution channels, including restaurants.

Business operations

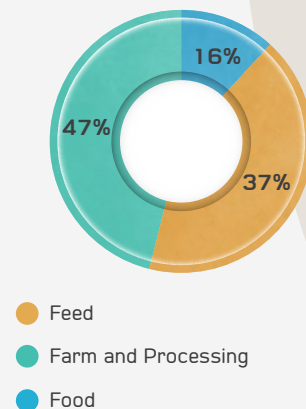
Thailand operations

Operates a vertically-integrated agro-industrial and food businesses for domestic distribution and export to more than 40 countries around the world.

International operations

Operates an agro-industrial and food businesses in 16 countries outside Thailand, namely China including Republic of China (Taiwan), Vietnam, United Kingdom, India, United States of America, Cambodia, Russia, Turkey, Philippines, Malaysia, Laos, Belgium, Sri Lanka, Poland, and investment in Canada and Brazil.

Sales Breakdown by Product



Business Categories

Nature of Business

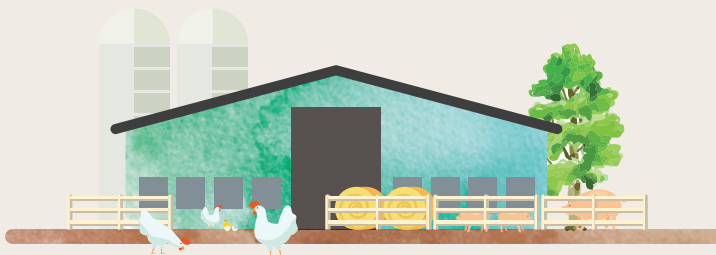
Feed Business



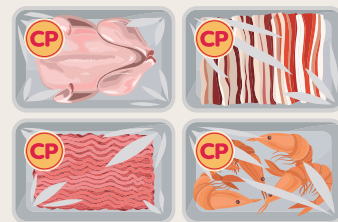
Animal Feed production and distribution



Farm and Processing Business



Breeding, Animal farming, and primary processing



Food Business



Production of semi-cooked and cooked products and ready to eat meals



Distribution Channels i.e. wholesaler, retailer, restaurant, and food outlet





Charoen Pokphand Foods Public Company Limited

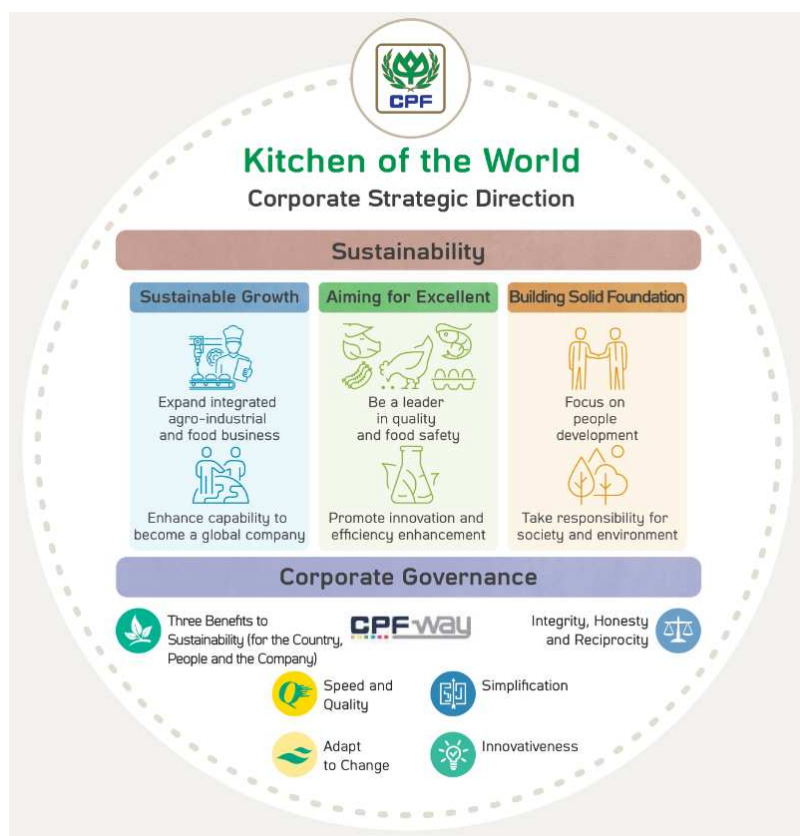
Part 1 Business Operation and Performance

1. Structure and Business Operation

1.1 Business Overview

1.1.1 Vision, goal and business strategies

With the vision of becoming the “Kitchen of the World,” Charoen Pokphand Foods Public Company Limited (“CPF”) and its subsidiaries (CPF and its subsidiaries collectively called the “Company”) continuously develops and operates integrated agro-industrial and food businesses, by adhering to its objectives on offering products of high quality in terms of nutritional, taste, safety and traceability. The Company focuses on operating businesses according to strategic region and modern production process with international standards. With the aim of competing in the front line of the food industry, we use resources properly and environmental friendly. The Company also takes into account the appropriate return to shareholders and interests of all stakeholders to ensure sustainable growth.



To push forward the Company’s vision and aforementioned mission to fulfill its goals, the Board of Directors reviews and approves the Company’s strategies annually. The strategies for 2021 have been defined into 3 main strategies which include “Sustainable growth, Aiming for excellence, and Building solid foundation” along with building a corporate value called the CPF Way under good management framework, including corporate governance structure, internal audits and enterprise-wide comprehensive risks management.

The Company believes in the potential of growth and development of the agro-industrial and food industry worldwide as well as consumption growth in a long term. Therefore, the Company has set the strategy to expand businesses to foreign countries. At the same time, to respond to changes in consumer behavior, the Company has set the strategy to add value in its business such as producing ready-to-eat and processed foods under the CP Brand and other brands of the Company, as well as expanding distribution channels and export base. The Company also creates innovation to enhance efficiency, strives to develop and foster its people, and manages its business with good corporate governance, in order to promote the Company’s sustainable growth.

1.1.2 History and key milestones

History

CPF was registered as a limited company on January 17, 1978 under the name “Charoen Pokphand Feedmill Company Limited”, with initial registered capital of Baht 5 million, engaging in livestock feed and livestock farming business in Thailand. Then, in December 1987, CPF was listed on the Stock Exchange of Thailand (the “SET”) with stock code “CPF”. The Company had expanded its business to integrated shrimp farming business in 1988 and converted to a public company limited in January 1994.

In 1998, CPF acquired the agro-industry and meat processing companies from Charoen Pokphand Group to be under CPF umbrella; whereas, the business acquisitions were completed in early 1999. CPF then renamed as “Charoen Pokphand Foods Public Company Limited” and announced the vision to become “Kitchen of the World” for its integrated agro-industry business operation to produce meat products and quality food products to consumers around the world. After that, the Company has continuously expanded its businesses and investment internationally. In 2005, the Company has started to use  brand for its basic processed meat products and entered into ready-to-eat food business under the said brand for distribution in Thailand and for export as well as expanded the product distribution channels to retail and food outlets.

As of December 31, 2020, CPF had paid-up capital of Baht 8,611,242,385, comprising of 8,611,242,385 shares, and its market capitalization was Baht 230,351 million.

Key milestones in 2020

- The acquisition of “Five Star” trademark from Star Marketing Co., Ltd.

In March 2020, CPF Restaurant and Food Chain Co., Ltd. (“CPFRF”), a 99.99% owned subsidiary of CPF, entered into an agreement with Star Marketing Co., Ltd. to acquire “Five Star” trademark to accommodate the growth of Five Star business. Currently, there are 6 types of products under “Five Star” kiosk, namely, grilled chicken, fried chicken, Hainanese chicken rice, shrimp wonton with noodles, ready meals and sausages.

- Investment in retail business in Thailand and Malaysia

In March 2020, C.P. Merchandising Co., Ltd. (“CPM”), a 99.99% owned subsidiary of CPF, entered into the shares or economic interest sale and purchase agreement of up to 20.00% of the total issued shares in (a) Tesco Stores (Thailand) Limited (“Tesco Thailand”) holding 99.99% of the shares in Ek-Chai Distribution System Co., Ltd. (“Ek-Chai”) which operates retail business under Tesco Lotus brand in Thailand; and (b) Tesco Stores (Malaysia) Sdn. Bhd. (“Tesco Malaysia”) which operates retail business under Tesco brand in Malaysia (Tesco Thailand and Tesco Malaysia is collectively referred to as “Tesco Asia Group”) (the “Tesco Asia Group Investment Transaction”). The investment by CPM will be made indirectly through two special purpose vehicles being C.P. Retail Holding Co., Ltd. (the “Holding Company”) which wholly owns the share capital of C.P. Retail Development Co., Ltd. (the “Acquiring Entity”). The Tesco Asia Group Investment Transaction was completed on December 18, 2020.

- Share repurchase program for financial management purpose

In March 2020, CPF Board of Directors passed the resolution to approve the share repurchase program for financial management purpose in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 4.65% of total issued shares of CPF. In this regard, CPF repurchased its shares through the main board of the Stock Exchange of Thailand during April 1, 2020 to September 30, 2020. As of the completion date of the program, CPF had repurchased its 198 million shares amounting Baht 6,088 million. The Board of Directors shall determine the share resale procedures after 6 months from the completion date of share repurchase. However, the last date to resale such repurchase shares shall not be later than September 30, 2023.

- The acquisition of all remaining ordinary shares of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)

In July 2020, CPF Investment limited (“CPFI”), a wholly-owned subsidiary of CPF with 49.75% shareholding in CPHM, acquire the remaining ordinary shares of CPHM or 50.25% of total issued shares of CPHM. CPHM operates fully integrated poultry businesses, including feed manufacturing, poultry farming and food processing plant in Malaysia.

Upon the completion of the transaction, CPF held 100% share in CPHM which can enhance flexibility and efficiency in managing the poultry integrated business in Malaysia.

- Investment in swine business in China

In October 2020, the Extraordinary General Shareholders' Meeting of CPF has resolved to approve the acquisition by Chia Tai Investment Co., Ltd. ("CTI") (which is an indirect wholly-owned subsidiary of C.P. Pokphand Co. Ltd. ("CPP"), a subsidiary of CPF) of the equity capital in 43 entities, established and operating the breeding, farming, slaughtering, food processing and sale of swine in China ("Targets"). CTI issued new shares representing 65% of enlarged share capital to the seller as the consideration for the equity capital in the Targets ("Transaction"). Upon the completion of the transaction in December 2020, CTI ceased to be an indirect subsidiary of CPF but become an indirect associate instead.

1.1.3 Use of proceeds from debentures offering

Due to the proceeds received from debentures offering and issuance by CPF until December 31, 2020. Currently, CPF already used all proceeds according to the purpose of each debenture.

1.1.4 Commitments stipulated in the debenture registration statements

CPF provides representations and warranties as well as responsibilities as the debenture issuer according to Terms and Conditions stating the rights and duties of the debenture issuer and the debenture holders of each debenture such as maintain Debt to Equity Ratio.

1.2 Nature of Business Operations

Charoen Pokphand Foods Public Company Limited (CPF) and subsidiaries or "the Company" operates **an integrated agro-industrial and food businesses including animal feed production, animal breeding, animal farming, primary meat processing, food production and ready-to-eat food as well as meat and food retail outlets, all of which are conducted by placing importance on animal welfare and biosecurity system.** The Company operates under international standards which are managed with innovative automation technologies. Digital systems have been applied to work process, planning, production, data analysis and trading to ensure products quality, safe, nutrition and tractability that meets consumer requirements worldwide. The Company works under **the Three-Benefit Principle** which states that the business shall benefits of the Country, the Society and The Company. Throughout its operation, the Company also takes into careful consideration of environmental, social and economic balance affecting its stakeholders in all sectors and promotes the Sustainable Development Goals (SDGs) on the basis of good corporate governance.

The Company believes that balancing economic success and environmental impact as well as holistic social care are essential for creating sustainable value for everyone. The Company strives to use limited natural resources efficiently, including reducing food loss and food waste in the production processes, using energy and water efficiently, utilising renewable energy, reducing greenhouse gas emissions, decreasing single-use plastics throughout the value chain and protecting and restoring mangrove forests and watershed forests which are the country's important resource bases.

Holistic social care includes caring and treating employees and workers in accordance with human rights principles that are in alignment with basic principles of the Universal Declaration of Human Rights, treating employees equally according to their rights based on values and capabilities, developing human resource in accordance with individual's appropriate potential and expertise, along with enhancing employees' qualities of life as well as living wages that are suitable with local economic and social conditions. The Company has had work management to support suppliers throughout the production chain, small businesses and farmers through networking and knowledge sharing in order to grow steadily together. In addition, the Company has also improved partner farmers' knowledge and looked after nearby communities.

In 1978, the Company started its businesses comprising livestock feed and livestock farm in Thailand. Its business chain was extended to primary meat processing, production of cooked and ready-to-eat food, including distribution channels, resulting in the integrated agro-industrial and food businesses in the present. Furthermore, the Company has expanded the business to increase its variety covering livestock and aquaculture. Major types of products include **swine, broiler, layer, duck, shrimp and fish.**

In 1999, CPF declared its vision of becoming “Kitchen of the World” by having a mission on offering **quality agricultural products, Farm-processing industry and food products** to consumers worldwide. The Company operates businesses and invests in the countries with growth potentials in modern Farm-processing and consumptions of meat and food. The investment in each country is depended on appropriateness, feasibility and business opportunity. Presently, the Company has **operated the businesses including investment in 17 countries** including Thailand, China including Republic of China (Taiwan), Vietnam, the UK United States of America, Russia, Cambodia, India, Philippines, Turkey, Malaysia, Laos, Sri Lanka, Belgium, Poland (sorted by size of income) and investment in Brazil and Canada. The Company has also exported goods to over than 40 countries worldwide.



1.2.1 Revenue structure

	2018		2019		2020	
	Baht Million	%	Baht Million	%	Baht Million	%
1. Thailand Operations	178,680	32%	175,966	32%	180,570	30%
1.1 Domestic	149,651	27%	143,910	26%	151,429	25%
Feed	49,527	9%	38,427	7%	38,563	6%
Farm and processing	76,346	14%	81,371	15%	89,952	15%
Food	23,778	4%	24,112	4%	22,914	4%
1.2 Export	29,029	5%	32,056	6%	29,141	5%
Feed	67	0%	75	0%	58	0%
Farm and processing	7,472	1%	8,038	2%	8,506	1%
Food	21,490	4%	23,943	4%	20,577	4%
2. International Operations	363,257	64%	356,607	64%	409,143	66%
2.1 China	142,978	25%	129,457	23%	157,688	26%
Feed	117,151	21%	98,189	18%	117,430	19%
Farm and processing	18,613	3%	22,139	4%	30,072	5%
Food	7,214	1%	9,129	1%	10,186	2%
2.2 Vietnam	81,775	15%	85,390	15%	107,793	17%
Feed	27,639	5%	27,552	5%	28,043	4%
Farm and processing	51,834	9%	54,759	10%	75,181	12%
Food	2,302	1%	3,079	0%	4,569	1%
2.3 Other countries	138,504	24%	141,760	26%	143,662	23%
Feed	35,155	6%	35,624	6%	34,097	5%
Farm and processing	67,269	12%	69,634	13%	70,980	12%
Food	36,080	6%	36,502	7%	38,585	6%
Total Revenue from Sale of Goods	541,937	96%	532,573	96%	589,713	96%
Share of profits of associates and joint ventures	8,343	1%	8,893	2%	9,254	1%
Other Income	13,566	3%	12,307	2%	18,072	3%
Total Income	563,846	100%	553,773	100%	617,039	100%

On December 1, 2020, a subsidiary in China engaging in feed production in China acquired swine business in China and issued new shares representing 65% of enlarged share capital to the seller as the consideration, resulting in the change in the Company's financial statements which the revenue of the feed business in China has been deconsolidated and began to recognize performance of new business as share of profits of associates and joint ventures since December 1, 2020 onwards.

1.2.2 Nature of products

The Company operates vertically integrated agro-industrial and food businesses to delivery of products to consumers, which is a business model enabling efficient control throughout the production chain and continuously produces innovations. To manage business effectively, the Company categorises types of businesses according products as: **1) feed business**, namely feed production and distribution; **2) farm and processing business**, namely animal breeding, farming, primary meat processing as well as domestic distribution and export; and **3) food business**, namely production of semi-cooked meat products and ready-to-eat meals, and domestic and export distributions of such products as well as food distribution channels and restaurants.

(1) Products and business innovation

(1.1) Feed business

The Company has operated feed business in 11 countries, which include Thailand, China, Vietnam, Russia, India, Cambodia, Turkey, Philippines, Malaysia, Laos and investment in Canada. Feed business sales revenue is Baht 218,191 million or accounting for 37% of total sales revenue.



Animal feed is a starting point in the production chain for producing quality meat and food. The Company has continuously developed innovative animal feed production processes, enabling the Company to produce quality feeds according to international standards while staying cost competitive and distributing the

products at appropriate prices. There are **6 success factors of feed business** as: 1) selecting quality raw materials that have standardized traceability system through a modern laboratory's examining process; 2) selecting feed formulas that are suitable for types of animals and their nutritional requirements in each age period; 3) producing feeds in clean and modern production facilities certified by international standards; 4) producing feed products that meet product standards and can be traceable; 5) having cost competitive and distributing feeds to farmers with reasonable prices; and 6) promoting sales by transferring modern technologies and knowledge bases to farmers.

6 success factors of feeds business

1. Quality raw materials
2. Right feeds for right age and right nutrition for animals of each age and stage
3. Clean facilities equipped with advanced production technology on par with international standards
4. Top quality products with full traceability
5. Competitive cost
6. Sharing of advanced know-how and knowledge base with farmers



reasonable prices; and 6) promoting sales by transferring modern technologies and knowledge bases to farmers.

Animal feed is an important factor affecting animal health and animal wellness. The Company has therefore placed emphasis on creating feed production innovation and continually developed animal nutrition technology. Animal feed formulas are adjusted to provide proper nutrition to animals, including nutrient absorption, resulting in improving animals' digestive systems which reduce discharge of waste, especially carbon dioxide. Currently, the major products of feed business include swine feed, chicken feed, duck feed, shrimp feed and fish feed, all of which are in forms of concentrated feed and complete feed in powder and pellets and mainly produced and distributed domestically.



The Company has placed importance on (1) selecting appropriate location and factory design by taking into consideration all resources, geographical features and communities nearby; (2) selecting formulations for producing feed with nutrition that meet requirements of each type of animal, breed and age; (3) selecting quality raw materials that meet nutrition standards; (4) applying state-of-the-art technology to produce and control quality, as well as digital data management;

(5) using packaging in the form of bulk feed tank to replace plastic feed bag in order to reduce environmental impact, including controlling transportation with global positioning system (GPS); and (6) a sale system providing customer care with after-sales service.

Factory Location and Design The Company considers the location in a production source which is a naturally raised area of land with sufficient water and utilities. To avoid contamination, the factory location is far from animal farming area. In addition, taking into account the environment and communities nearby, the factory is designed in accordance with principles of green factory, for example, installing dust filters and applying ozone technologies to prevent dust and smells, managing waste that can be used as fuels in the factory, efficient water management, and promotion of biodiversity in the factory area and surrounding communities.

Feed Formulations The Company places emphasis on the quality of feed that shall meet requirements of each type of animal, breed and age, as well as provide adequate nutrition for good growth. The Company selects formulations for producing animal feed that provides complete nutrition enabling animals to grow well, including using probiotics and prebiotic in animal feed to improve animal digestion and increase strength. To mitigate environmental impact, the Company has also developed environmentally friendly feed products that help reduce nitrogen emissions from animal manure.

Raw Material Selection Major raw materials used in the feed production consist of corn, soy bean meal, fish meal, bran and other vitamins and minerals. Quality raw material is a significant beginning for producing good feed, the Company therefore selects good quality raw materials through quality analysis and examinations conducted by laboratories accredited production standards relating to raw materials produced from legal and responsible sources in terms of environment and labour such as ISO/IEC 17025. The Company has implemented the policy to procure raw materials from domestic sources as a priority and import raw materials in the case that raw materials procured domestically are not sufficient for its production due to inadequate quantities or quality. In 2020, the Company's Thailand operations had imported raw materials from overseas, accounting 39% of raw material cost for the feed production. Moreover, to support local farmers and diversify raw materials, the Company procures alternative local materials to replace imported materials as well.

Production and Quality Controls The Company uses **automated production and control systems, digital technology system and robots**, especially in areas that may affect employee health and safety, to ensure quality animal feed and employee safety according to the international standards certified by independent external agencies.

In this regard, the Company's operations in each country shall apply for standards certified by independent

	Feeds business			
Production standards	GMP HACCP ISO 9001 ISO 22000 ISO/IEC 17025	GMP+ B1 B2 B3 FAMI-QS AI Compartment RWA ALO		
Sustainability standards	Global GAP BAP IFFO RS CoC MSC			
Environment standards	ISO 14000 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14046
Occupational safety standards	Good Labour Practice (GLP)	TLS 8001-2010	OHSAS18001	CPF SHE&En Standard

external agencies based on the Company and customers' requirements as well as the laws of such country.

In 2020 as Thailand's first and only animal feed factory, the Company's feed factory was granted GMP+ International Certification on feed safety throughout the value chain due to its outstanding system that reflects animal and environmental concerns.

Packaging and Transportation Automation system is used in packaging process to mitigate employee health risks, whereas bulk feed tank has been used instead of feed packaging made from plastics. The Company has managed its logistics for transportation of goods by focusing on delivery schedules that meet customer requirements and quality maintenance, including the use of technology to control transportation such as Global Positioning System (GPS) to follow up its transport trucks.

Sales and After Sales Services The Company realises that farmers' successes in animal farming shall contribute to mutual sustainability of the animal feed business. Therefore, the Company places importance on sharing knowledge and understanding on animal farming and proper use of animal feed. Moreover, the Company provides animal farming technical services, appropriate farm management and animal health check-ups for farmers. These are important factors that make animals healthy and have good feed conversion ratios. The Company prepares sales teams that have knowledge of animal

farming and constantly pay attention to providing advices to farmers. Regarding distribution of animal feed, the Company conducts direct sales from factories to farmers and sells them through dealers, as well as develops online feed sales to ensure greater access to farmers in remote areas. The animal feed market is also growing steadily in line with the increase in demand for meat and the expansion of animal farming in the form of modern industrial farming system.

(1.2) Farm and processing business

The Company's farm and processing business comprises breeding, farming and primary processing. Major types of animal include swine, broiler, layer, duck, shrimp and fish. Sales revenue from farm and processing business is Baht 274,691 million or accounting for 47% of total sales revenue. There are

7 key factors to the Success of farm-processing business include:

1) strong breed; 2) proper feed; 3) appropriate animal housing, factory and equipment; 4) good farm management; 5) modern production process; 6) efficient transportation system; and 7) biosecurity management throughout the supply chain.



Major products of farm and processing business are animal breeds, live animals, primary processed meat (cut meat) and layer egg. Major types of animal include swine, broiler, layer, duck, shrimp and fish. The Company has conducted farm and processing businesses in 15 countries, which include Thailand, China, including Republic of China (Taiwan), Vietnam, United States of America, Russia, India, Cambodia, Turkey, the Philippines, Malaysia, Laos, Sri Lanka, Poland, and investment in Brazil and Canada. Each country has different nature of business, depending on its market opportunity and suitability.



The Company has placed importance on selection of farm location, farm design, good animal breeding, animal farming according to the animal welfare principles, safety and standardised processing, environmentally friendly packaging, distribution and presentation of goods to customers with integrity, complete disclosure of information, and efficient transportation under good occupational health practices and standards.



Farm Location and Design The Company shall consider farm location on the basis of **risk management capability, green farm, animal welfare and biosecurity system management**. The farm shall situate in boundary and area that is suitable for animal farming with sufficient basic utilities. In the meantime, a transport system must be capable of preventing infection while transporting goods. The Company takes into account separation of animal raising area and outside, including control measures on disinfection prior to entering into animal raising area. In addition to good farm design, the Company has determined rules and regulations, with which farm staffs shall strictly comply, especially during the outbreaks of pandemics such as African Swine Flu and COVID-19. Since the Company has managed biosecurity system effectively, the Company was not affected by the pandemics in the past year.

Farm design and animal farming system for each animal type are different. They depend on behavior of each animal type and age. Animal farming systems are summarised as follows:

- **Livestock:** The Company has employed fully enclosed animal housing with **evaporative cooling system according to the animal welfare principles** to ensure suitable temperature in the housing for raising animal at all times. Animal raising process has been controlled by modern computer systems including an automatic feeding and watering and digital system for animal health monitoring. In addition, measures and control systems are set to prevent disease vectors. Based on animal welfare resulting in animal stress relief and well grown animals, areas for animals to express their natural behaviours are prepared appropriately as well as the

systems controlling temperature and lighting in the housing that are appropriate for behaviour of each animal type and age range.

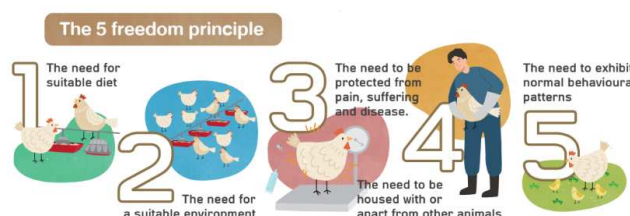
- **Aquatic Animals:** The Company has simultaneously applied **probiotic farming technology** which is environmental friendly according to the animal welfare principles, preventive measures against pandemics, and recirculation aquaculture system to reduce use of water from natural sources. For shrimp farming business, the Company has used "CPF Combine" farming model, which combines innovations having been developed during operating shrimp farms. This model is a shrimp farming management under biosafety system, which is functioned by automated shrimp monitoring with digital sensing technology for real time processing and controlling shrimp cultured in pond and hatching pond. Moreover, the shrimp farm management is fully conducted from upstream to distribution of shrimps.

In addition, the Company has developed animal farm to become **green farm** by managing resource efficiency, installing systems including waste management and waste water treatment systems, maintaining farm environment according to biodiversity principles, managing impacts on the environment and surrounding communities, as well as using **farm waste for producing biogas** which is used as fuels for generating electricity consumed within the farm. The Company also encourages its contract farmers to apply this system to reduce the environmental impacts including waste and air pollution.

Breed Development and Breeding The Company has selected and developed breeds that are suitable with environmental conditions and consumption requirements of animal products in each country in which the Company has business. Natural breeds of animals have been developed in accordance with animal genetics since their great-grandparents by applications of medical science and technology in order to obtain strong and greater disease resistance of animal breeds. Moreover, provide high productivities and suitable for the farming environment of each country, includes meeting and complying with consumer requirements on quality meats. The Company also imports animal breeds from various countries.

Animal Farming The Company has continuously developed animal farming systems and technologies according to standards of each county and those accepted internationally, including environmental management standards, labour practices and modern animal farming.

The Company has simultaneously developed animal farming processes under the **Five Freedoms of Animal Welfare** and farming efficiency per farming area **without growth promoters**. The animal farming research team has developed animal farming methods with understanding of each type of animal's behaviour, using sturdy breed, providing feed that is nutritious and suitable for each age group, and utilising biotechnology to analyse and improve processes of animal feeding and animal caring that fit each breed to ensure that they live without distress and are **free to express natural behaviours**. Animals are protected while sick animals are treated by farm veterinarians who shall check the animals' health conditions during animal husbandry period. Uses of antibiotics to treat sick animals are done responsibly under close veterinarian supervision.



The Company has adhered to **the global healthcare policy: "One Health"** which focuses on bringing health to humans, animals, and the environment. The Company therefore places priority on keeping farm animals healthy to avoid the use of medication. However, in case animal becomes sick, it will be cured according to the animal welfare principles which focus on responsible use of antibiotics. The Company also imposes the **Responsible Use of Antibiotics Policy** with detail as follows:

1. The antibiotics shall be used under veterinary oversight for necessary therapeutic uses only;
2. Avoiding the use of antibiotics with the purpose of promoting animal growth promoter; and
3. Collaborating with international experts in order to establish better approaches for animal healthcare according to the animal welfare principles and reduction of antibiotic use.

In some countries, the Company has promoted animal farming to farmers through its contract farming project by selecting farmers who have their own animal farming areas and equipment, and providing them with animal breeds, feed and other necessities, including transferring knowledge and technologies on farm management to ensure that their farms meet the same standards with which the Company has applied. The project, thus, enables farmers to feed animals correctly according to animal types and breeds as well as promote an increase of production efficiency with appropriate costs to obtain product quality that meet customer requirements. As a result, farmers can increase productivities and incomes from animal husbandry. Therefore, it is regarded as the project creating works and occupations as well as enhancing quality of life of farmers, resulting in becoming business alliance and growing together with the Company towards sustainability.

Primary Processing The Company has complied with the animal welfare principles and standards relating to the primary processing. These include selecting locations between a farm and a processing facility with appropriate distance. A truck being used for animal transportation shall limit animal density to prevent animal stress. Upon arrival at the processing facility, the truck shall park at the area where temperature is suitable and comfortable for animals before being through slaughtering, meat cutting and packaging processes. Furthermore, the Company has controlled the primary processing under production and employee safety standards.

	Farming and processing business			
Production standards	GAP GMP HACCP ISO 9001 Halal Standard	AI Compartment BRC QS RWA ALD		
Sustainability standards	Global GAP BAP CoC Dept. of Fisheries Genesis GAP/Lloyd's Register Poultry Scheme			
Environment standards	ISO 14000 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14045
Occupational safety standards	Good Labour Practice (GLP)	TLS 8001-2010	OHSAS18001	CPF SHE&En Standard

In this regard, the Company's operations in each country shall apply for standards certified by independent external agencies based on the Company and customers' requirements as well as the laws of such country.

Packaging The Company selects packaging by taking into consideration the use of **packaging that reduces environmental impact**, such as bioplastic trays made from renewable resources known as polylactic acid (PLA).

Product Distribution The Company's products from its farms include animal breeds, living animals, meat products, egg, and by-products from animal farming. The distribution channel for most of animal breeds and living animals is at farm front while domestic distribution channels for meat products and egg are varied, for example, selling through distributors, traditional markets, and modern trade outlets. The Company domestically distributes as well as exports meat products.

Animal farm business has continued to grow in accordance with risen consumption requirements due to growing population and an increase of ability to access quality meats and affordable prices. The Company's key success factors for being a leader in the industry consist of having strong breeds that can resist disease well and provide high product yield, including having efficient farming process with good feed conversion ratios within shorter periods of time as well as effective disease prevention.

In addition, the Company has developed products to meet customer requirements and promote health, which include:

- **Cheeva Pork** the product derived from the developments of swine breed, feed and farming method to obtain good fat and high omega-3 pork to meet consumer requirements
- **Kurobuta Pork** the product made from developed imported swine breed to obtain the breed that can grow well in Thailand's environment. Kurobuta pork's outstanding characteristics is a succulent meat that is softer than normal pork because its muscle layers contain more white fat for 30% and lower cholesterol
- **Benja Chicken** the product made from chicken that had been fed with special selected brown rice which helps strengthen chicken muscles, resulting in beneficial effects on aroma, tenderness and juiciness of chicken meat. Cage-free raised chicken is chemical free, safe and can be alternative to health conscious consumers.
- **Red Tilapia Fish** a fish species originate from Chitralada Nile tilapia strain. The Company had developed its breed and selected tilapia species worldwide to cross-breed through natural selection in order to obtain red

tilapia with features that meet consumer requirements, including improving its properties to suit aquaculture in Thailand. As a result, the tilapia species obtained is able to live and grow in salt water. It is also further developed to create career opportunities for farmers and enable them to raise red tilapia fishes both in fresh and salt water.

- **Cage Free Egg** eggs obtained from specially selected US laying hens that are naturally raised in a closed and cage-free housing system without hormonal growth promoters and antibiotics according to the animal welfare principles. Fresh eggs obtained thus meet consumer requirements. This **Omega-3 Egg** is chemical free, fresh and full of benefits of omega-3 which help support healthy nervous system and brain. It contains choline and vitamin B2, contributing to normal functioning of the nervous system. Laying hens are all raised in the closed system, 100% disease-free, without hormonal growth promoters and antibiotics.

(1.3) Food business

The Company has placed priority on research and development in order to produce **quality food in terms of nutrition and taste with safe processes throughout the production chain**, which enable good health and accessible prices. A large variety of products meets requirements of global consumers at different ages and areas. A wide range of distribution channels also provides convenience to consumers to access to the products.

The products derived from the farm business that had undergone primary processing are value added by being produced to be processed food and ready-to-eat food products. With innovative production technology in accordance with international standards, environmentally friendly and traceable throughout the process, every stage of production is sterile and safe, resulted in quality, fresh and clean food products. The transportation system being certified occupational safety standard is used for delivering the products from the factory to customers. The product packaging is proper and reduces environmental impacts as well.



The Company's food products are distributed under the CP brand, the Company's other brands and customers' brands. There are various distribution channels for easy access to products, including: 1) traditional trade channels such as fresh markets; 2) wholesale and modern trade channels, i.e. convenience stores, supermarket, hypermarkets, and wholesale distribution center; 3) food services such as hotel restaurants, general restaurants, fast food restaurants, food centers and catering business, etc. In addition, the Company has established its own product distribution channels covering stores which are distribution centers, restaurants and food courts. Moreover, the Company also exports food products to the Company's dealer branches in different countries and foreign importers. Presently, the Company has production bases of food business in 15 countries, namely Thailand, China, Vietnam, UK, USA, Russia, India, Cambodia, Turkey, Philippines, Malaysia, Laos, Sri Lanka, Belgium and Poland.



Raw Material Procurement The Company uses its meat products as the main raw materials in its production. The Company believes that good food begins with quality raw materials; therefore we have placed emphasis on the qualities and the sources of raw materials that are thoroughly responsible and traceable. In addition to procuring raw materials from general external sources, the Company has worked together with farmers to create shared values. It is the project supporting farmers' agricultural products that are cooking ingredients as well as sharing knowledge and building understanding on sustainable agriculture, which emphasises on ecosystem equilibrium, good quality products that are sufficient for farmers and consumers, and self-reliance, including labour practices and human rights throughout the supply chain, all of which help promote sustainable livelihoods and additional incomes for farmers and families.

Production The Company has placed great importance on quality and safety measures throughout the production processes. Thus, it is committed to conducting research and development on efficient production innovations to obtain quality and safe food products for consumption. Simultaneously, the Company has applied **automation and robot technologies** to enhance production efficiency, work processes that are safe for employees, **digital traceability system** created linked data to enable product traceability throughout the food chain from sources of raw materials and food production processes from upstream to distribution channels. The Company has also developed the production processes to meet national and international standards.

	Food business			
Production standards	GMP HACCP ISO 9001 Halal Standard BRC	OS ALO		
Sustainability standards	RSPO BAP ASC			
Environment standards	ISO 14000 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14046
Occupational safety standards	Good Labour Practice (GLP)	TLS 8001-2010	OHSAS18001	CPF SHE&En Standard

In this regard, the Company's operations in each country shall apply for standards certified by independent external agencies based on the Company and customers' requirements as well as the laws of such country.

The Company has focused on **quality and safety** to ensure that its food products are healthy products that meet consumer requirements. The Company has therefore developed food innovations continuously and established **CPF Food Research and Development Center Co., Ltd.** in Thailand to be the research and development center driving the food business through inventions, researches and developments of new products to respond to the market effectively on the basis of sustainability. A prototype factory is available as an area for testing products with modern technology. There are the number of experts and packaging designers. The Company also established the **food laboratory** covering livestock, aquatic animals and instant foods in Thailand operations. The food laboratory provides test and calibration services according to international standards in order to examine the quality of food before delivering to consumers. Its services covering: 1) the test consisting of chemical, microbiological, physical and sensory tests, whereas sampling processes are conducted throughout the value chain for laboratory analyses before delivering products to consumers; and 2) the calibration consisting of calibration processes of scientific equipment used in laboratories and production processes to ensure equipment accuracy and precision for continuous use.

With state-of-the-art tools that can trace back throughout the food chain and create customer satisfaction on product quality standards, the laboratory, thus, has been certified the quality management system for testing microbiology and chemicals in food and animal feed samples according to ISO/IEC17025 standard. In addition, the laboratory's sample management process is made through **"Smart iLab"** system which is capable of delivering quick, accurately, precise and reliable test and calibration reports, as well as focusing on food quality assessment in 5 areas of physical and sensory aspects including appearance, smell, taste, flavor and texture. The laboratory performs tests under **sensory online system** which is functioned through computers and electronic communication devices that simplify operations and are more convenient and faster. It also reduces data logger error and solves problems caused by the production process in a timely manner.

The Company's research and development are not limited to in-house innovations only. The Company has placed emphasis on exchanging knowledge and collaborating with domestic and overseas alliance networks such as leading universities, biotechnology manufacturing companies and other global agro-industrial companies. There are examples of researches as follows:

- Studies of good microorganisms in human digestive system and the positive effect on health in terms of immune stimulation and control of metabolic disorder, in collaboration with the Faculty of Medicine Siriraj Hospital, Mahidol University and the Faculty of Medicine, Srinakharinwirot University;
- Study of active ingredient extraction from co-product to increase value, such as collagen type II cold-pressed extraction for building bone mass, in collaboration with Prince of Songkla University;

- Cell performance and clinical tests on usage of important substances in humans, i.e. culture of specialized cells to confirm research efficacy, in collaboration with the Thailand Institute of Scientific and Technological Research;
- Study of nutrition science on developments of high-protein and powdered foods, as well as nutritional supplement drinks for patients, in collaboration with the Faculty of Medicine, Chulalongkorn University;
- Developing probiotic products for a better health as an alternative to balance holistic health relating to digestive system and immune system stimulation, by using source of strain innovation and technology from Morinaga Milk Industry, Japan, which have been through over 100 clinical researches, to create formulas that are suitable for consumers.
- Producing Rapid Test Kit to test two listeria strains that cause foodborne illness pathogens and toxicants affecting human health by developing quicker and cheaper biosensor for bacterial DNA detection which is able to accurately check result of contamination. It is a patent awarded the Golden Awards, an international award from "The International Trade Fair-Ideas, Inventions and New Products" (iENA), Germany, in 2018; and
- Developing plant-based protein product by researching and developing meat-like flavour molecules in collaboration with Chulalongkorn University, and developing alternative fiber sources from mushroom protein fibers in collaboration with Mae Fah Luang University.

Packaging CPF Packaging Research and Development Unit is responsible for selecting effective packaging to keep food safe and completely maintain nutritional value with longer shelf life as well as packaging that reduces environmentally impacts, and preparing product labelling to indicate guideline daily amounts. Moreover, the Company is committed to developing and managing sustainable packaging, the Company thus determines the following guidelines: 1) promoting usage of new renewable materials from sustainable sources; 2) supporting reusable packaging process or generating power from used packaging; 3) increasing proportions of recycled materials as appropriate in packaging groups that can be done; and 4) improving reuse-oriented model instead of single-use packaging for packaging used in manufacturing process or for transportation, as appropriate and in terms of food safety.

Distribution Channel The Company prepares a wide range of distribution channels and formats to facilitate customer access to food as follows:

- Modern retail and wholesale comprising hypermarket, supermarket, and convenience store;
- Hotel, restaurant and catering (HoReCa);
- Original Equipment Manufacturer (OEM);
- Traditional Market and distributors;
- Restaurants and food outlets; and
- CPF's distribution channels including the following businesses:
 - **Five Stars Business** a franchise business providing a wide variety of products, namely roasted chicken, fried chicken, chicken rice, shrimp dumpling noodle soup, ready meal and sausage;
 - **Chester's Restaurant** a fast food restaurant business operated by the Company in the form of franchise business, which includes restaurants operated by the Company and franchisees;
 - **CP Freshmart** the Company's distribution point providing services to consumers and small entrepreneurs in nearby area, and emphasising on the products relating to cooking, fresh food products, ready-to-eat food and dry food, to create convenience of access to good quality ingredients at fair prices.
 - **CP Food World** provides food court services in areas of hospitals, educational institutes and office buildings. CP Food World is consisted of restaurants of the Company as well as restaurants from external partners, and it emphasises on variety foods, affordable prices, cleanliness and sanitary standards.
 - **Community Refrigerator** a business distributing CP brand products including fresh, chilled and frozen foods, i.e. pork, chicken, duck, egg, shrimp, fish, sausage, ready-to-eat and ready-to-cook foods, to support consumers in communities to access to fresh, clean, safe and quality food sources, as well as to promote career opportunities and generate incomes for business operators;

- **CP-HaiLai Harbour** a buffet restaurant which is a joint venture between the Company and Taiwan's Hailai Group to provide consumers with quality foods at reasonable prices;
- **Chickita** a fast food restaurant business with selling points including quality of flame-grilled chicken and modern ambient that suit today's consumer requirements. Chickita is currently operated in Vietnam; and
- **Wan Chai** a Chinese restaurant which is currently operated in Vietnam.

The food business is changing rapidly and highly competitive due to urbanization expansion and changing lifestyles. These have caused higher consumer demand for ready-made meals which help increase convenience. However, consumers have been looking continuously for quality food and a wide variety of products, particularly healthy foods from acceptable sources. Food manufacturers therefore have to innovate and develop products to meet consumers' changing requirements and to suit consumer culture of each area. Moreover, access to consumers is a key factor in operating the food business, thus, food entrepreneurs have placed importance on strategies enabling closely reaching to consumers and responding to their requirements as much as possible.

Innovation Management Approaches

The global society and consumer satisfaction are changing rapidly; innovation is therefore essential for creating a competitive edge for success and increasing an organisational value. New concepts derived from innovation management shall enhance the Company's operational efficiency and provide better solutions, resulting in a sustainable performance as well as being a part in driving Thailand's agro-food industry to be competitive in the global arena.

The Company has managed innovations by fostering a culture of "innovative organisation". All business sectors are driven to develop operations towards innovations in terms of production process, new product creation, work process and business operating model, including social and environmental innovations, all of which shall increase competitiveness and maintain holistic balance of surrounding environment and social responsibility. In the process of innovation creation, partners from external organisations can be selected for joint development. Such selection shall be made on the basis of vision compatibility, adherence to missions and goals of the project which are to be achieved together, particularly having abilities to complement each other's skills to enable faster innovation development and lower costs.

Guidelines on creating innovative organisation comprise 3 significant components, namely **workplace ambience, personnel and innovation management standard**.

The Company focuses on creating workplace ambience which contributes to creative thinking and new initiatives. The Company emphasizes on 5 aspects of innovations consisting of (1) innovation for production efficiency; (2) value added innovation; (3) innovation on health and sanitation products and services; (4) business model innovation for creating growth; and (5) innovation for organisational sustainability. The Company organizes the **innovation competition** entitled the CPF CEO Award on a yearly basis to provide its employees with opportunities to showcase their talents through their innovative works for competition. The innovative works are divided into 3 levels according to 3i concept which includes:

- i1 or **Improvement**: creative thinking which helps improve works to be in good conditions consistently;
- i2 or **Invention**: new invention or new development of work which increases work efficiency, and
- i3 or **Innovation**: new invention or new method that generates business outcomes.

The Company recognises potentiality of "TRIZ" (Theory of Inventive Problem Solving¹), therefore TRIZ application approaches have been applied to develop employees of every business unit to become innovators according to TRIZ techniques. In 2020, the Company had 1,047 TRIZ innovators in Thailand and 8,752 innovations which had been patented / petty patented for 336 innovations. In addition, the Company has managed innovations according to European Committee for Standardization (CEN) CEN/TS16555² since 2016.

¹ TRIZ is the principles for inventions and innovative solutions to problems found in the industrial sector. It is applied for achieving maximum performance or an increase of ideality and reducing the use of resources. Normally, there must be limitation or contradiction of factors. In other words, an increase of one property shall cause opposite effect on other property, for example, requiring a bottle cap that can be opened conveniently, however, such bottle cap must not be able to open itself too easily.

² CEN/TS 16555 is the standard innovation management system that supports an organisation to create innovations systematically for accommodating the corporate growth, enabling operations under limited resources and building innovation successfully.

ISO 56002 is the standard aiming to equipping an organisation with approaches and processes that make the organisation gains most benefit from its innovation project



Learning Innovation Opportunities

The Company has the policy to provide employees with opportunities to learn a wide range of innovations by participating seminars or training organised by domestic and international leading organisations, in-house trainings, and studying in top universities, including filling training course on Design Thinking Framework within the organisation to develop innovative ideas for employees. The knowledge or innovations obtained shall be systematically shared and stored by arranging them as **knowledge base management** of each unit as well as preparing work guides to convey experiences to the next generation. The Company has innovations including innovative products that are in line with consumer satisfaction, and innovative works for better performance which reduce procedures having impact on employee health and decrease work or production costs, including social and environmental considerations, for example:

- **"Cheeva Pork" Innovation** is derived from swine breed, feed and farming method developments resulting in good fat and higher omega-3 pork than conventional pork to meet requirements of health-conscious consumers. Cheeva Pork has been certified by the National Sanitation Foundation (NSF) and won ultimate food innovation award at the world food exhibition: THAIFEX-Anuga Asia 2020.
- **"Benja Chicken" Innovation** is the development of fresh chicken product, whereas chicken are fed with specially selected brown rice that is rich in GABA, antioxidants, vitamin B3, B6 and B9, all of which help to strengthen chicken muscles, build good muscle structure and enhance taste, aroma, softness and juiciness of chicken meat.
- **"Tender Chicken Breast" Innovation** is the product made from whole chicken breast that had undergone vacuum massage which is the Company's technology enhancing chicken breast that is normally dry and not as tender as chicken thigh to be soft, juicy and suitable for health-conscious consumers due to its high protein and low fat. In 2016, Tender Chicken Breast received the SET Awards; the Innovation category.
- **"Environmentally Friendly Swine Feed" Innovation** is derived from the application of biotechnology for swine and layer chicken feed which can reduce amounts of nitrogen and carbon dioxide emissions in excretion. It also reduces animal feed cost by using raw feed ingredients that do not exceed the needs of animals and are disposed as waste or manure without affecting production efficiency or quality of pork and egg.
- **"Accounting and Finance" Innovations** the Company has developed accounting and finance innovations by adopting modern technology and robotic accounting to apply to work processes and data processing in order to increase work efficiency and reduce errors. The same work processes are combined in one place to minimise unnecessary procedures and reduce repetitive tasks. The Company has also established the Shared Services Center for providing accounting services to the Company.



Investment Privilege

CPF and its subsidiaries have been granted privileges relating to their businesses both in Thailand and overseas. Most of which are an exemption or reduction of corporate income tax on net profit of the promoted business for certain periods and conditions. Some certain businesses have also been granted an exemption from payment of import duty and tax on machinery as approved by the Board of Investment as well as a deduction of the infrastructure installation or construction cost in addition to depreciation.

(2) Marketing and competition

Agricultural Economic Review of Main Products in 2020 and Outlooks in 2021

Broiler (Source: *Thai Broiler Processing Exporters Association and USDA*)

In 2019, the quantity of global broiler production reached 100.8 million tons or increased by 1.5% when compared to those of 2019. Major producing countries still include USA (20.2 million tons), followed by China (14.8 million tons) Brazil (13.8 million tons) EU (12.3 million tons) and Russia (4.7 million tons). The broiler production in Thailand had expanded continuously to meet growing export demand. In 2020, it reached 2.86 million tons or increased by 0.7% from those of 2019.

For 2021, it is forecasted that the global broiler production would be 102.9 million tons or increased by 2% from those of the previous year. The large producing countries anticipate increasing their productivity while Thailand expects that its broiler production would increase by 1% to 2.88 million tons.

Major global broiler exporters in 2020 included Brazil (3.8 million tons), followed by USA (3.3 million tons), EU (1.4 million tons) and Thailand (the world's fourth largest exporter of broiler with the export quantity of 0.95 million tons and the export value of Baht 109,000 million. Thailand's major export markets included Japan, EU, China and ASEAN. In 2020, Thailand had exported 435,000 tons of broilers to Japan with the value of Baht 57,900 million, and had exported 270,000 tons of broilers to EU with the value of Baht 28,800 million, and had exported 110,600 tons of broilers to China with the value of Baht 12,000 million and had exported 54,000 tons of broilers to ASEAN markets with the value of Baht 4,400 million.

For 2021, it is predicted that Thailand's export of broiler would be slightly expanded, and the export volume of broiler is forecasted to reach 960,000 tons which amounts to Baht 111,200 million or increases by 1% when compared to those of the previous year. Positive factors include Asian markets where many countries have had good preventive measures against the COVID-19, causing growing consumption, especially in China and ASEAN markets. Moreover, if China has additionally certified 7 factories, totalled 29 factories in Thailand in 2021, it is expected that Thailand would be able to export greater volume of broiler to China. Meanwhile, due to confidence in the product quality that is COVID-19 free, Singapore and Malaysia markets' demands for Thai products shall continue to increase. Negative factor remains in the EU market since the COVID-19 outbreak has not yet been controlled; therefore, consumption has not yet recovered. Japanese market continues to remain unchanged. Although the Olympic Games would take place in Japan, there are still limitations due to problems arise as a result of the COVID-19. However, if the COVID-19 vaccines can be used in the second half of the year, the situation may improve.

Swine (Source: *United States Department of Agriculture (USDA) and the Swine Raisers Association of Thailand*)

In 2020, the global pork production was 94.3 million tons. Compared to those of 2019, it decreased by 7% due to the African swine fever (ASF) outbreaks in China, Vietnam and Philippines, including other countries. The decline in pig production in Asia was partially compensated by growth of pig production in USA, Brazil and EU, which was a result of strong export demand recently that had caused pig producers' expansions of sow herds.

The export volume of pork worldwide in 2020 was 10.8 million tons, an increase of 15.6% compared to the export volume of 2019 due to an increase of pork demand from China. China's imports rose to 3.9 million tons, accounting for 40% of the global imports. Meanwhile, the import of pigs in 2020 of countries other than China had largely decreased due to slower economic growth as well as the impact of COVID-19, resulting in a decrease in demand for pork.

In 2021, the global pork production is forecasted to be 4% higher due to higher yields in countries affected by African Swine Fever (ASF) and recovery from effects of COVID-19. Regarding China's pork production, it is forecasted to rise 9% since pork producers built new sow farms due to benefits from higher selling price of fattening swine. However, China's pork production of 41.5 million tons is still nearly 25% lower than a production level before an occurrence of the disease. In addition, ASF recoveries in Vietnam and Philippines have driven the production growth even though the outbreaks still occur in the countries, which is a challenge standing in the way of efforts in expanding swine production.

The export volume of pork worldwide in 2021 is predicted to be unchanged from 2020 at around 10.8 million tons. The global demand for pork is expected to recover since the COVID-19 situation and economic conditions shall become better, including a recovery of consumption. However, it is expected that China's pork imports would decrease by 6% due to recovery

in domestic production. Other major pork importers namely Mexico, Philippines, Japan, Korea and USA are expected to increase volumes of pork imports.

The US pork production is expected to remain unchanged from 2020 at 3.3 million tons since pig producers reduced the number of mother sows in late 2020 and the first quarter of 2021, coupled with a slight reduction in carcass weight. As a result, the growth of pork production in 2021 is limited. Although the US has a relatively strong domestic market, an overall of export demand in 2021 shall decline, mainly due to the lower demand for pork from China. Therefore, it has to expand the pork exports to other markets including Mexico and Japan.

In the European Union, African swine fever has been found in Germany's wild boar population, however, it is expected that such incident shall not have a direct impact on production, but it will affect trade restrictions on pork exports. This will result in a greater supply of German pork which is already saturated the EU market, coupled with lower domestic demand and China's sluggish demand, all of which results in a downward trend of pig price in the next year.

Brazil's production is projected to rise nearly 4% due to a rebound of domestic pork consumption and good export capability.

In Thailand, according to the data of the Swine Raisers Association of Thailand (SRAT), in 2021, Thailand would have 1.23 million of swine breeders and 23.3 million of fattening pigs, which are close to those of 2020. Due to anxiety in ASF, the number of pigs raised by small-holder farmers would decrease. However, medium and large-scale farmers having good farm management and disease prevention and control systems would slightly expand. Pig prices had increased during quarter 3/2020 and began to decrease in some areas with selling prices of pork approximately Baht 70-75 per kilogram.

In 2021, Thailand shall be monitoring ASF continuously and strictly. However, the outbreaks of disease in neighboring countries including Laos, Cambodia and Vietnam shall cause significant decrease in the number of fattening pigs in the countries and there shall be demands for pork imported from Thailand. Therefore, if every sector in Thailand's swine industry mutually generates knowledge and understanding as well as correct precautionary measures on ASF, including increases of pork demands from neighboring countries, the pig prices in Thailand would be placed in high levels throughout 2021.

Shrimp (Source: *The Thai Shrimp Association (TSA)*)

The outbreak of COVID-19 since the beginning of 2020 has been a major obstacle for the global shrimp industry, especially in the market and export sectors. The global shrimp production was 3.32 million tons approximately or increased by 3% from those of 2019. Major shrimp producing countries had lower shrimp yields in almost every country, except Ecuador where the productivity increased. The top three producers comprising Central America and South America had the shrimp production of 1,030,000 tons, followed by India and China, which were 550,000 tons and 550,000 tons respectively.

According to Thailand's shrimp production in 2020, an overall production of cultured shrimp was 270,000 tons, a decrease of 7% compared to 290,000 tons in 2019. This is a result of the epidemic and uncertainty during the COVID-19 situation, which have affected the market. Regarding Thailand's shrimp farming in overall, shrimp farmers still encounter white feces syndrome, white spot disease and early mortality syndrome which affect farming efficiency and are hidden costs of farmers. However, it is believed that Thailand still has a wide range of appropriate factors such as weather, geographical features, good shrimp varieties and feed, as well as knowledgeable, skillful and experienced farmers and skilled food processors and exporters, all remain to be considered positive factors for Thailand's shrimp industry.

For the 2021 trend, it is predicted that Thailand shall approximately produce 310,000 tons of shrimp or a 15% increase because Thailand and the Thai shrimp industry still have an advantage of quality and safety product image, including various supporting factors such as being a world-class production source of good quality shrimp larvae, effective shrimp feed and efficient management of the COVID-19 crisis, all of which result in a competitive advantage of Thailand.

(3) Procurement of products or services

Total capacity for major products in 2019-2020 is shown below

Factory	2019			2020		
	No. of factories	Maximum capacity	Capacity utilization rate	No. of factories	Maximum capacity	Capacity utilization rate
Feed factories (Million tonnes)	144	34	65%	61*	20*	72%
Livestock processing factories (Thousand tonnes)	85	3,783	63%	88	4,198	60%
Aquaculture processing factories (Thousand tonnes)	11	110	35%	11	109	39%

Note: * On December 1, 2020, Chia Tai Investment Co., Ltd. ("CTI") ceased to be an indirect subsidiary of CPF and become an indirect associate due to an acquisition of swine business in China which CTI issued new shares representing 65% of enlarged share capital to the seller as the consideration. Therefore, production capacity of CTI was excluded in 2020.

Raw materials

Details of raw materials are shown in 1.2.2 Nature of products

(4) Assets used in business undertaking

(4.1) Tangible core assets

Major fixed assets used for operation which belong to the Company including assets under finance leases are as follows:

Unit : Baht Million

Type of Assets	Book value as of December 31,	
	2019	2020
Land	33,489	49,102
Building, building-improvements and utilities system	75,499	69,181
Machinery and equipment	60,888	56,157
Assets under construction and installation	22,630	21,088
Others	4,924	4,610
Total	197,430	200,138

CPF had a commitment to transfer the ownership of assets, with total book value of Baht 18 million as of December 31, 2020, to Maejo University (the "university"). Currently, such assets (utilities system, Machinery and equipment and others) belong to CPF. According to the Cooperative Technical agreement with the university, the university allowed CPF to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at December 31, 2022. Under the terms of the agreements, CPF is committed to transfer the ownership of the project property to the university at the expiration of the agreements. In addition, as of December 31, 2020, certain foreign subsidiaries had secured long-term borrowings totalling Baht 15,857 million (2019: Baht 14,590 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 11,156 million (2019: Baht 13,558 million), current and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying amount of Baht 6,339 million (2019: Baht 4,641 million), ordinary shares of a foreign subsidiary with value of Baht 4,548 million (2019: Baht 4,169 million).

In addition to the assets owned by CPF as described above, as of December 31, 2020, the Company has right-of-use assets covering land, buildings, equipment, vehicles and leasehold rights of Baht 32,373 million for the periods of 1 to 58 years, expiring in 2021-2045 (details are in item 3 (b) Change in accounting policy of Notes to Financial Statements)

(4.2) Patent, concession, copyright and trademark

Trademark

CPF and certain subsidiaries in Thailand have trademark agreements with Charoen Pokphand Group Co., Ltd.^{/3} ("CPG"), for the right to use trademarks as stipulated in the agreements. In this regard, CPF and subsidiaries are committed to pay trademark license fees to CPG in accordance with the terms, conditions and rates as stipulated

^{/3} Shareholding of Charoen Pokphand Group Co., Ltd. in CPF is shown in 1.3.4 Shareholders of Part 1

in the agreements. The agreements will be expired on December 31, 2022. Moreover, certain foreign subsidiaries have trademark agreements with CPG with commitment to pay trademark license fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreements.

During 2020, a subsidiary in Thailand entered into an agreement with a related company (Star Marketing Co., Ltd. and Farm Factory World Co., Ltd.) to acquire a trademark for total consideration of Baht 349 million and Baht 28 million, respectively.

Technical service agreement

Certain foreign subsidiaries have a technical service agreement with CPG for the right to obtain technical service as stipulated in the agreement. In this regard, the foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreement.

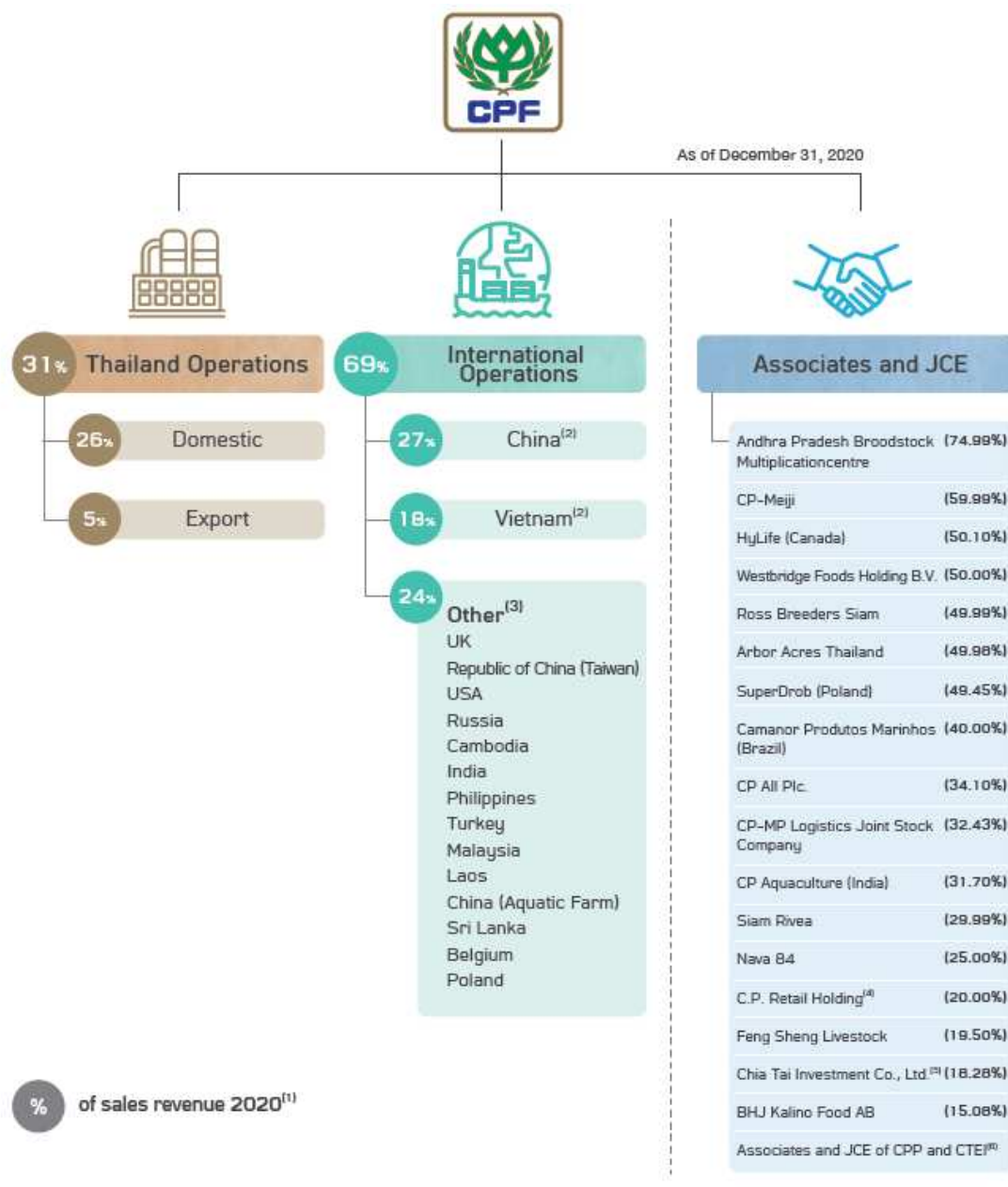
(4.3) Investment policy and management

CPF has a clear investment policy to invest in main or related businesses. CPF generally appoints its representatives to hold an authorized directorship position in subsidiaries in order to govern such subsidiaries according to the Company's policy effectively and efficiently. The subsidiaries will submit the performance report to CPF monthly while at least 2 meetings will be conducted annually to consider the performance and mutually establish plan and goal.

Regarding an investment, CPF may invest directly or assign other subsidiaries with related business to invest. CPF has a policy to invest 100% in subsidiary except an investment with business partners or listed companies.

1.3 Shareholding Structure

1.3.1 Shareholding structure of the Group as of December 31, 2020



Note:

(1) % of sales revenue 2020 represent both direct and indirect holding

(2) Operate under C.P. Pokphand Co., Ltd. (CPP)

(3) Ranked by sales revenue size

(4) Investment completed since December 18, 2020

(5) CTI is an associate of CPP operates feed and swine farm in China. Investment completed since December 1, 2020.

(6) Group of associates and joint ventures of CPP. Details can be found in Note to financial statements for year 2020.

**Investment of CPF Group****Subsidiaries**

As of December 31, 2020, there were 208 companies¹⁴ which CPF has direct and indirect control with detail as follows:

Subsidiaries with Thailand operations and businesses related to operations in Thailand**Thailand**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
1. CPF (Thailand) Plc. Bangkok Tel. 66-2-766-8000	Agro-industrial and integrated food	Baht 15,289,819,314	99.99
2. CPF Food and Beverage Co., Ltd. Bangkok Tel. 66-2-036-4500	Production and sale of ready meals	Baht 4,000,000,000	99.99
3. CPF Trading Co., Ltd. Bangkok Tel. 66-2-694-4466	Wholesale and retail food products	Baht 800,000,000	99.99
4. Bangkok Produce Merchandising Plc. Bangkok Tel. 66-2-766-8000	Animal feed raw materials distribution	Baht 600,000,000	99.44
5. CPF Food Research and Development Center Co., Ltd. Bangkok Tel. 66-35-355-634-8	Food research and development	Baht 500,000,000	99.99
6. International Pet Food Co., Ltd. Bangkok Tel. 66-2-059-7121	Production and sale of pet food	Baht 300,000,000	99.99
7. CPF IT Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Information technology service provider	Baht 250,000,000	99.99
8. CPF Restaurant and Food Chain Co., Ltd. Bangkok Tel. 66-2-641-1362-6	Five stars business and restaurants	Baht 200,000,000	99.99
9. CP Hilai Harbour Co., Ltd. Bangkok	Restaurant	Baht 160,000,000	99.99
10. Dak Glabi Group Co., Ltd. Bangkok Tel. 66-2-713-5455	Restaurant	Baht 133,000,000	59.99
11. Chester's Food Co., Ltd. Bangkok Tel. 66-2-641-1333	Restaurant	Baht 80,000,000	99.99
12. C.P. Merchandising Co., Ltd. Bangkok Tel. 66-2-766-8000	Investment and international trading	Baht 44,550,000,000	99.99
13. Westbridge Foods (Thailand) Ltd. Bangkok Tel. 66-2-726-9890	Provision and development for Asian food product	Baht 31,325,600	99.99
14. CPF Training Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Training center service provider	Baht 20,000,000	99.99

¹⁴ Excluding the companies which are in the process of liquidation and/or wound up its operations i.e. C.P. Aquaculture (Hainan) Co., Ltd., Shanghai C.P. Industrial Trading Co., Ltd., Chareon Pokphand (USA), Inc., Chareon Pokphand Foods Kenya Co., Ltd., CPF Tanzania Ltd., Wignall Holdings Limited, Bellisio Parent LLC., The All American Gourmet Company, Arden International LLC., Chareon Pokphand Feedmills (M) Sdn. Bhd., Linggi Poultry Farm (M) Sdn. Bhd., Chareon Pokphand Feedmills (B worth) Sdn. Bhd. And 9 companies in Fusion group.



China

Subsidiaries	Type of Business	Registered Capital	Interest (%)
15. C.P. Aquaculture (Dongfang) Co., Ltd. Tel. 86-898-3696-3979	Shrimp hatchery business	RMB 148,000,000	52.24
16. C.P. Aquaculture (Zhanjiang) Co., Ltd. Tel. 75-983-91726	Shrimp hatchery business	USD 12,000,000	52.24
17. CPF Food Trading Co., Ltd. Tel. 86-21-6106-2651	Importer and distributor of processed meat and ready meals	USD 14,500,000	100.00
18. Wesbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	RMB 100,000	99.99
19. Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	USD 1,680,000	52.24
20. Beijing CP Consultation Services Co., Ltd. Tel. 86-108-508-9000	Provision of consulting service on economic and trade	RMB 1,500,000	52.24
21. C.P. Food (Hengshui) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 271,630,000	52.24
22. C.P. Food (Kaifeng) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 52,000,000	52.24
23. C.P. Food (Nantong) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 14,280,000	52.24
24. C.P. Food (Zhanjiang) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 78,500,000	52.24
25. C.P. Food Enterprise (Ningbo) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 60,000,000	52.24
26. Chia Tai (Beijing) Investment Management Co., Ltd. Tel. 86-108-508-9000	Rendering management and advisory service	RMB 670,000,000	52.24
27. Chia Tai Food Enterprise (Qingdao) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 85,700,000	52.24
28. CP Food Enterprise (Qinhuangdao) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 117,460,000	52.24
29. Chia Tai Food (Suqian) Co., Ltd. Tel. 86-108-508-9000	Poultry farming, production and sale of chicken meat products	RMB 596,298,060	52.24
30. Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	52.24
31. Hubei Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of animal feed and breeding and processed food	RMB 280,000,000	52.24
32. Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	52.24
33. Jilin Chia Tai Food Co., Ltd. Tel. 431-808-838-4966	Food processing plant, production and distribution of processed meat and ready meal	RMB 380,000,000	52.24
34. Fujian Chia Tai Food Co., Ltd. Tel. 86-108-508-9000	Sale of processed poultry meat	RMB 218,000,000	36.57
35. Fujian Hetai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and trading of poultry	RMB 50,000,000	36.57
36. Longyan Baotai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and sale of poultry	RMB 60,000,000	36.57
37. Longyan Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production of processed poultry meat	RMB 180,000,000	36.57



Subsidiaries	Type of Business	Registered Capital	Interest (%)
38. Henan Chia Tai Biochemistry Trading Co., Ltd.	Production and sale of veterinarian	RMB 10,000,000	36.57
39. Pucheng Chia Tai Biochemistry Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 189,890,000	35.17
40. Zhumadian Huazhong Chia Tai Co., Ltd. Tel. 86-396-262-3002	Production and sale of chlortetracycline	RMB 72,000,000	35.17
41. Dongying Chia Tai Aqua Co., Ltd	Production and sale of animal feed	RMB 35,000,000	52.24
42. C.P.Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	RMB 12,600,000	52.24

Vietnam

Subsidiaries	Type of Business	Registered Capital	Interest (%)
43. C.P. Vietnam Corporation Tel. 84-25-383-6251-9	Production and sale of animal feed, farming and food processing plant	VND 9,188,671,500,000	66.18
446. CPV Food Co., Ltd	Livestock farming, production and sale of animal feed and processed food	VND 1,073,049,000,000	66.18
45. AHM Lifestyles – Creative Hospitality Joint Stock Co., Ltd.	Restaurant	VND 34,500,000,000	50.96

United Kingdom

Subsidiaries	Type of Business	Registered Capital	Interest (%)
46. Food Trac Ltd.	Distribution of meat products	GBP 100	99.99
47. Wesbridge Food Group Limited	Investment	GBP 88.96	99.99
48. Wesbridge Foods (Haydock) Ltd.	Distribution of meat products	GBP 252,855	99.99
49. Wesbridge Foods Ltd.	Importer and distributor of meat and processed foods	GBP 100	99.99
50. Wesbridge Group License Companies	Importer of poultry meat products	N/A	99.99
51. CP Foods (UK) Ltd. (“CPF UK”) Tel. 44-1299-253131	Importer and distributor of processed meat and ready meals	GBP 271,200	99.98
52.-102. Subsidiaries of CPF UK companies ¹⁵	Importer and distributor of processed meat and ready meals	GBP 1	99.98
103. The Foodfellas Ltd. Tel. 44-2086-223064	Import food raw materials and food products	GBP 15,567	99.98
104. CP Chozen Ltd.	Investment	GPB 800,000	79.99
105. Chozen Holdings Ltd. Tel. 44-1905-732100	Restaurant	GBP 30	79.99
106. Chozen Noodle Trading Ltd. Tel. 44-1905-732100	Property lease-out	GBP 10	79.99

¹⁵ 51 subsidiaries of CP Foods (UK) Ltd. were as follows:

- | | | | | |
|-------------------------------|----------------------------|-----------------------------|--------------------------|---------------------------|
| 1. Fusion Abbey Park Ltd. | 2. Fusion Alfrick Ltd. | 3. Fusion Bracewell Ltd. | 4. Fusion Bransford Ltd. | 5. Fusion Broadway Ltd. |
| 6. Fusion Brothwood Ltd. | 7. Fusion Calis Ltd. | 8. Fusion Carnoustie Ltd. | 9. Fusion Charlton Ltd. | 10. Fusion Crowle Ltd. |
| 11. Fusion Dalaman Ltd. | 12. Fusion Defford Ltd. | 13. Fusion Dormington Ltd. | 14. Fusion Driscoll Ltd. | 15. Fusion Dumbleton Ltd. |
| 16. Fusion Eastoe Ltd. | 17. Fusion Elmbridge Ltd. | 18. Fusion Everton Ltd. | 19. Fusion Exning Ltd. | 20. Fusion Fethiye Ltd. |
| 21. Fusion Gatley Ltd. | 22. Fusion Gocek Ltd. | 23. Fusion Gray Ltd. | 24. Fusion Harper Ltd. | 25. Fusion Hawstead Ltd. |
| 26. Fusion Heartford Ltd. | 27. Fusion Heath Ltd. | 28. Fusion Head Street Ltd. | 29. Fusion Irvine Ltd. | 30. Fusion Kaitaia Ltd. |
| 31. Fusion Kroma Ltd. | 32. Fusion Krone Ltd. | 33. Fusion Littleworth Ltd. | 34. Fusion Madeley Ltd. | 35. Fusion Newlands Ltd. |
| 36. Fusion Niamh Ltd. | 37. Fusion Pershore Ltd. | 38. Fusion Priest Lane Ltd. | 39. Fusion Samui Ltd. | 40. Fusion Soham Ltd. |
| 41. Fusion Southall Ltd. | 42. Fusion Stevens Ltd. | 43. Fusion Thetford Ltd. | 44. Fusion Turgay Ltd. | 45. Fusion Uzumlu Ltd. |
| 46. Fusion Van Den Hauwe Ltd. | 47. Fusion Wadborough Ltd. | 48. Fusion Wellington Ltd. | 49. Fusion Whistler Ltd. | 50. Fusion Wright Ltd. |
| 51. Fusion Yamac Ltd. | | | | |


Republic of China (Taiwan)

Subsidiaries	Type of Business	Registered Capital	Interest (%)
107.Chun Ta Investment Co., Ltd.	Investment	NTD 50,000,000	100.00
108.Ta Chung Investment Co., Ltd.	Investment	NTD 100,000,000	100.00
109.Charoen Pokphand Enterprise (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Chicken integration and livestock farming	NTD 3,579,000,000	39.00
110.Charoen Pokphand (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Importer and distributor of feedstuff additives and animal vaccines	NTD 27,152,400	35.10
111.Rui Mu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 300,000,000	26.52
112.Rui Fu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 600,000,000	19.89
113.Sheng Da Food Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 200,000,000	11.93
114.Arbor Acres (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Livestock farming	NTD 32,000,000	19.50

India

Subsidiaries	Type of Business	Registered Capital	Interest (%)
115.CPF (INDIA) Private Ltd. Tel. 91-44-265-68406	Production and sale of animal feed, farming and food processing plant	INR 4,888,500,000	99.99

USA

Subsidiaries	Type of Business	Registered Capital	Interest (%)
116.Bellisio Foods, Inc.	Production and distributor of ready meals	N/A	100.00
117.Bellisio Investment, LLC	Investment	N/A	100.00
118.C.P. Food Products, Inc. Tel. 1-410-505-5017	Importer and distributor of seafood products	USD 7,980,000	99.99
119.Frozen Specialties, Inc.	Production and distributor of ready meals	N/A	100.00
120.FSI Parent Corp.	Investment	N/A	100.00
121.Homegrown Shrimp (USA), LLC.	Shrimp farming	USD 6,600,000	100.00
122.Overhill Farms, Inc.	Production and distributor of ready meals	N/A	100.00
123.Berice LLC.	Investment in restaurant	USD 5,100,000	99.99
124.Yipeng, LLC.	Restaurant	USD 2,430,000	99.99

Russia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
125.Charoen Pokphand Foods (Overseas) LLC. Tel. 7-496-634-1963	Animal feedmill and livestock farming	RUB 5,266,995,018.50	99.99
126.CPF Agro LLC. Tel. 7-496-634-1963	Livestock farming	RUB 605,277,700	99.99
127.CPF Construction LLC. Tel. 7-496-634-1963	Provision of consulting service on construction	RUB 79,503,577.84	99.99
128.CPF Foods LLC. Tel. 7-496-634-1963	Livestock farming	RUB 480,010,000	99.99
129.CPF Ryazan LLC. Tel. 7-496-634-1963	Livestock farming	RUB 87,238,163.21	99.99
130.CPF Serebryanie Prudy LLC. Tel. 7-496-634-1963	Livestock farming	RUB 130,759,706.53	99.99
131.JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	RUB 1,129,937,718	99.99



Subsidiaries	Type of Business	Registered Capital	Interest (%)
132.JSC Poultly Parant Stock Production Woyskovitsy	Livestock farming and breeding	RUB 196,500,735	99.99
133.Stesha LLC.	Investment	RUB 21,490,384,913	99.99
134.Farm Construction LLC. Tel. 8-831-211-3011	Swine farm construction	RUB 100,000	75.82
135.Kornevo LLC. Tel. 8-401-230-7700	Livestock farming	RUB 203,010,000	75.82
136.Management Company RBPI Group LLC. Tel. 8-401-230-7700	Property lease-out	RUB 173,110,000	75.82
137.NNPP LLC. Tel. 8-831-211-3011	Livestock farming	RUB 483,040,562.83	75.82
138 NNPP-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 900,000,000	75.82
139.Pravdinsk Pig Production JSC Tel. 8-401-230-7700	Livestock farming	RUB 1,030,000,000	75.82
140.Pravdinsk Pig Production-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 1,010,000,000	75.82
141.RBPI Partner West LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 1,000,000	75.82
142.Rechnoe LLC. Tel. 8-401-230-7700	Biological waste management services provider	RUB 50,000,000	75.82
143.RBPI ELITE SEEDS LLC.	Production of elite seeds	RUB 1,000,000	75.82
144.CP Foods Trading Co., LLC.	Importer and exporter of meat products	RUB 10,000	99.99

Turkey

Subsidiaries	Type of Business	Registered Capital	Interest (%)
145.C.P. Standart Gıda Sanayi ve Ticaret A.Ş. Tel. 212-274-8536	Agro-industrial and integrated food	TL 503,965,500	100.00

Philippines

Subsidiaries	Type of Business	Registered Capital	Interest (%)
146.Chareon Pokphand Foods Philippines Corp. Tel. 63-45-963-6510	Production and sale of animal feed, farming and shrimp hatchery business	PHP 6,300,000,000	99.99

Malaysia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
147.AA Meat Shop Sdn. Bhd. Tel. 603-8065-1800	Livestock processing retailer	N/A	99.99
148.Asia Aquaculture (M) Sdn. Bhd. Tel. 603-4027-1800	Shrimp farming and processing plant	RM 520,000,000	99.99
149.Chareon Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	RM 420,000,000	99.99
150.Chau Yang Farming Sdn. Bhd. Tel. 605-3771-331	Livestock farming	N/A	99.99
151.Makin Jernih Sdn. Bhd.	Investment	N/A	99.99
152.Tip Top Meat Sdn. Bhd. Tel. 603-6091-7340	Livestock processing plant	N/A	99.99
153.Star Feedmills (M) Sdn. Bhd. Tel. 603-4027-1800	Aquatic feed production and distribution	RM 100,000,000	99.99



Subsidiaries	Type of Business	Registered Capital	Interest (%)
154. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in livestock feedmill and livestock farming companies in Malaysia	N/A	100.00
155.-158. Subsidiaries of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (4 companies) ⁶	livestock feedmill and livestock farming	N/A	100.00

Laos

Subsidiaries	Type of Business	Registered Capital	Interest (%)
159. C.P. Laos Co., Ltd. Tel. 856-21-453508-10	Animal feedmill and livestock farming	USD 15,000,000	99.99

Belgium

Subsidiaries	Type of Business	Registered Capital	Interest (%)
160. CPF Europe S.A. Tel. 32-2357-5380	Importer and distributor of processed meat and ready meals	EUR 40,800,000	99.99
161. Tops Foods NV Tel. 32-1428-5560	Production and distributor of ready meals	EUR 3,940,000	84.07

Sri-Lanka

Subsidiaries	Type of Business	Registered Capital	Interest (%)
162. Norfolk Foods (Private) Limited Tel. 9-411-285-7340	Production and sale of ready meal	N/A	80.00
163. Lotus Aquaculture Lanka (Private) Ltd.	Shrimp hatchery, farm and cold storage	LKR 360,000,000	75.00

Poland

Subsidiaries	Type of Business	Registered Capital	Interest (%)
164. CPF Poland S.A. Tel. 48-22-7790600	Agro-industrial and food	PLN 22,900,000	66.67
165. Pet Republic	Production and sale of pet food	PLN 330,000	60.00

Cambodia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
166. C.P. Cambodia Co., Ltd. Tel. 24-397-339	Production, sale of animal feed, livestock farming and food processing plant	USD 67,402,000	100.00
167. Cambodia Property and Trading Co., Ltd. Tel. 24-397-339	Property lease-out	KHR 20,000,000	49.00

Denmark

Subsidiaries	Type of Business	Registered Capital	Interest (%)
168. Finagro ASP	Financial service	DK 550,000	75.82
169. CPF Denmark A/S Tel. 45-7526-1330	Importer and distributor of processed meat and ready meals	EUR 500,000	52.00

Germany

Subsidiaries	Type of Business	Registered Capital	Interest (%)
170. Paulsen Food GmbH	Distributor of processed meat and investment	EUR 25,000	99.98

⁶ 4 Subsidiaries of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd comprise

1. Avian farm (Malaysia) Sdn. Bhd. 2. Charoen Pokphand Jaya Farm (M) Sdn. Bhd. 3. PK Agro - Industrial Products (M) Sdn. Bhd. 4. Teck Huat Farming Sdn. Bhd.


Canada

Subsidiaries	Type of Business	Registered Capital	Interest (%)
171. Bellisio Foods Canada Corp.	Production and distributor of ready meals	N/A	100.00
172. Charoen Pokphand Foods Canada Inc. Tel. 905-604-4993	Import and export food products	CAD 1,000,000	100.00
173. CPF Canada Holdings Corp.	Investment in integrated swine business	CAD 430,000,000	99.99

Netherlands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
174. Wesbridge Holding B.V.	Investment	EUR 18,000	100.00
175. CPF Netherlands B.V.	Investment	USD 1,250,000,000	99.99

British Virgin Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
176. Bright Excel Investments Ltd.	Investment	USD 50,000	100.00
177. C.P. Foods Holdings Ltd.	Investment	USD 1,000,000	100.00
178. C.P. Foods International Ltd.	Investment	USD 100,000,000	100.00
179. Coinaton Investments Ltd.	Investment	USD 50,000	100.00
180. CPF Investment Ltd.	Investment	USD 1,750,000,000	100.00
181. CPVN Ltd.	Investment	USD 1,000,000	100.00
182. Forward Pass Ltd.	Investment	USD 50,000	100.00
183. Giant Crown Investments Limited	Investment	USD 50,000	100.00
184. New Splendid Holdings Ltd.	Investment	USD 50,000	100.00
185. Modern State Investments Ltd.	Investment	USD 120,000,000	52.24
186. Charoen Pokphand (China) Investment Ltd.	Investment	USD 56,000,000	52.24
187. ECI Machinery Co., Ltd.	Investment	USD 50,000	50.43
188. CP Foods Capital Ltd.	Investment	USD 100,000,000	100.00

Bermuda

Subsidiaries	Type of Business	Registered Capital	Interest (%)
189. Charoen Pokphand (Taiwan) Investment Ltd.	Investment	USD 12,000	100.00
190. C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food business	USD 600,000,000	52.24
191. C.T. Progressive (H.K.) Ltd.	Investment	HKD 1,000,000	52.24
192. Chia Tai Enterprises International Ltd.	Investment	USD 80,000,000	50.43

Cayman Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
193. CP China Investment Ltd.	Investment	USD 129,750,000	52.24
194. Plenty Type Ltd.	Investment	USD 18,761,488.28	39.00

Hong Kong

Subsidiaries	Type of Business	Registered Capital	Interest (%)
195. CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	HKD 7,000,000	99.99
196. C.P. Standard Resources Ltd.	Investment	N/A	52.24
197. CP Food Investment Ltd.	Investment	N/A	52.24
198. Hannick Ltd.	Property investment	N/A	52.24
199. C.P. Enterprises Ltd.	Investment	N/A	50.43
200. Chia Tai Huazhong Biochemistry Ltd.	Investment	N/A	50.43
201. Chia Tai Pucheng Biochemistry Ltd.	Investment	N/A	50.43
202. Golden Industrial Investment Ltd.	Investment	N/A	50.43
203. Chia Tai Lianyungang Co., Ltd.	Investment	HKD 1,000,000	39.00
204. CP Aqua Co., Ltd.	Investment in aquaculture business	N/A	52.24



Norway

Subsidiaries	Type of Business	Registered Capital	Interest (%)
205. Russia Baltic Pork Invest ASA	Investment	NOK 640,063,200	75.82

Japan

Subsidiaries	Type of Business	Registered Capital	Interest (%)
206. CPF Japan Co., Ltd. Tel. 813-5401-2231	Importer and distributor of processed meat and ready meals	JPY 200,000	99.99

France

Subsidiaries	Type of Business	Registered Capital	Interest (%)
207. Wesbridge Foods (France) Sarl	Distribution of meat products	EUR 100	100.00

Singapore

Subsidiaries	Type of Business	Registered Capital	Interest (%)
208. CP Foods Singapore Pte. Ltd.	Importer and distributor of processed meat and ready meals	SGD 1,500,000	100.00

Associates, Joint Ventures and Other Investments

As of December 31, 2020, CPF had associates, joint ventures and other investments as follows:

Company	Type of Business	Registered Capital	Interest (%)
1. Andhra Pradesh Brood Stock Multiplication Centre Private Limited Tel. 91-98-494-46149	Farming and breeding	KRW 540,000,000	74.99
2. CP-Meiji Co., Ltd. Bangkok, Thailand Tel. 66-2-664-5309	Manufacturing and distribution of milk products and healthy dairy products	Baht 500,000,000	59.99
3. Hylife Group Holdings Ltd. Canada	Investment	CAD 67,833,294	50.10
4. Westbridge Foods Holding B.V. Netherlands Tel. 31-715-815-016	Importer and distributor of processed foods	EUR 18,000	50.00
5. Ross Breeders Siam Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	Baht 70,000,000	49.99
6. Arbor Acres Thailand Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	Baht 4,000,000	49.98
7. SuperDrob S.A. Poland Tel. 48-22-275-9200	Agro-industrial and food	PLN 21,772,550	49.45
8. Camanor Produtos Marinhos Ltda. Brazil Tel. 55-84-4008-0448	Shrimp farming and primary processing businesses	BR 11,666,667	40.00
9. A.P.P. Enterprise, Inc. Tel. 63-45-963-6510	Property lease-out	PHP 5,000	39.60
10. CP All Plc. ⁷ Bangkok, Thailand Tel. 66-2-677-9000	Convenience store business in Thailand, under "7-Eleven" trademark and franchises to other retailers in the territory of Thailand	Baht 8,986,296,048	34.10
11. CP-MP Logistics Joint Stock Co. Ltd. Vietnam Tel. 28-363-66471	Logistic provider	VND 5,900,000,000	32.43

⁷ CPG and its related person held 1.89% stake



Company	Type of Business	Registered Capital	Interest (%)
12. C.P. Aquaculture (India) Private Ltd. ^{/8} India Tel. 044-4604-9999	Aquatic feedmill and shrimp hatchery in India	INR 250,000,000	31.70
13. Siam Rivea Co., Ltd. Bangkok, Thailand	Restaurant	Baht 120,000,000	29.99
14. Chia Tai Conti (Cixi) Investment Management Ltd. China	Provision of consulting service on economic and trade	RMB 3,000,000	26.12
15. Conti Chia Tai International Ltd. Hong Kong Tel. 852-282-36171	Production and sale of animal feed	HKD 10,000	26.12
16. ECI Metro Investment Co., Ltd. British Virgin Islands Tel. 852-252-01601	Investment and trade of machinery and spare parts	USD 12,000,000	25.21
17. Nava 84 Co., Ltd. ^{/9} Bangkok, Thailand	Investment in economic crop plantation companies in Thailand	Baht 1,500,000,000	25.00
18. C.P. Retail Holding Co., Ltd. Bangkok, Thailand	Investment	Baht 199,479,574,500	20.00
19. Feng Sheng Livestock Co., Ltd.	Production and sale of poultry	NTD 60,000,000	19.51
20. Chai Tai Investment Co., Ltd. ^{/10}	Investment and trading	RMB 4,160,178,479	18.28
21. BHJ Kalino Food AB Sweden Tel. 46-4620-5260	Trading of chilled and frozen meat and food	SEK 1,000,000	15.08
22. Zhan Jiang Deni Carburetor Co., Ltd. China Tel. 86-759-315-0934	Motorcycle carburetor and auto parts production and distribution	USD 21,250,000	14.12
23. Kinghill Limited ^{/11} Cayman Islands	Investment in company that manage shopping center, "Super Brand Mall" in China	USD 680,000,000	13.96
24. Chia Tai (Jilin) Co., Ltd. ^{/12} Hong Kong	Investment in livestock feedmill and livestock farming business in China	USD 1,800,000	10.00
25. CPPC Plc. ^{/13} Bangkok, Thailand Tel. 66-2-766-8090	Production and sale of plastic	Baht 1,950,000,000	6.58
26. C.P. Land Plc. ^{/14} Bangkok, Thailand Tel. 66-2-766-7000	Property development	Baht 3,630,310,000	6.49
27. True Corporation Plc. ^{/15} Bangkok, Thailand Tel. 66-2-643-1111	Information Technology & Communication	Baht 133,474,621,856	2.21
28. Cixi Zhudu Investment Management Center (Ltd. Partnership) China	Investment	RMB 9,995,000	0.52

^{/8} CPG held 30.80% stake and related person of Chearavanont family held 37.50% stake

^{/9} CPG held 75.00% stake

^{/10} Related person of CPG held 65.00% stake

^{/11} Related person of CPG held 64.86% stake

^{/12} Related person of CPG held 90.00% stake

^{/13} CPG and its related person held 37.80% stake and Chearavanont family and its related person held 37.91% stake

^{/14} CPG and its related person held 47.51% stake and Chearavanont family held 20.19% stake

^{/15} CPG and its related person held 47.77% stake

1.3.2 Person who may have conflict of interest holds more than 10% in subsidiaries or associates

There were four associates of CPF which Charoen Pokphand Group Co., Ltd. ("CPG") and its related person hold more than 10% namely (1) C.P. Aquaculture (India) Pte. Ltd. ("CPA India"). Upon its establishment, CPF held 19.20% stake in CPA India. Then in 2003, existing shareholders of CPA India sold their 12.50% stake in CPA India to CPF. As a result, CPA India became associate of CPF. (2) Nava 84 Co., Ltd. ("Nava 84") which CPF held 25% since establishment. Then existing shareholders of Nava 84 sold 75% stake to CPG. (3) Chia Tai Investment Co., Ltd. ("CTI"), the former wholly-owned subsidiary of C.P. Pokphand Co., Ltd. ("CPP"), issued new shares representing 65% of enlarged share capital to the subsidiary of CPG in December 1, 2020 as the consideration for the equity capital in 43 entities, established and operating the swine business in China. Therefore, CPP holding stake in CTI decrease to 35% after the capital increase. And (4) C.P. Retail Holding Co., Ltd. ("CPRH"), established to invest in Tesco Stores (Thailand) Limited and Tesco Stores (Malaysia) Sdn. Bhd. (collectively referred to as "Tesco Asia Group"). On December 18, 2020, C.P. Merchandising Co., Ltd. ("CPM"), a subsidiary of CPF, made an investment to acquire shares or economic interest of 20% in Tesco Asia Group through CPRH which wholly owns the share capital of C.P. Retail Development Co., Ltd.

Despite joint investment with the persons who may have conflict of interest, the board of directors of the Company has considered and believes that the shareholding structure for this investment is appropriate and is in accordance with its policies and investment strategies. The Company believes that such investment is for the best interest of the Company and will also further enhance the Company's business operation.

The Company, as a shareholder with right according to the abovementioned shareholding stake and as a listed company on the SET, adheres to the equitable treatment of shareholders with equal and fair treatment to achieve highest benefit of the Company and all shareholders. The Company has been complying with the compliance and internal control measures, including measures in relation to the entering into transactions which may result in conflict of interest and equitable treatment of shareholders. For example, any transaction which may cause any conflict of interest and is required to be considered and approved by the board of directors of the Company must also be considered and approved by the audit committee of the Company according to relevant laws and the SET regulations. This is to ensure that the transaction is reasonable upon arm's length basis and beneficial to the Company. In addition, the regulations enforcing all listed companies also promote the transparent and fairness of the existing and upcoming connected transactions. Any person having interest, either as a director or shareholder, in any matters is not allowed to vote on such matter.

1.3.3 Relationship with the business group of major shareholder

Charoen Pokphand Group Co., Ltd. ("CPG"), major shareholder of CPF, is major shareholder of a number of companies with business in various countries. The principal businesses in Thailand includes (1) Agro-industrial and integrated food businesses (2) Retail business and (3) Telecommunication business. In addition, CPG also invests in other businesses such as automotive and industrial business and property development.

CPG has sold some feed additives for the production of animal feeds to CPF, the major agro-industrial and integrated food company, as well as granted the Company the right to use trademarks which were supporting ordinary course of business transaction in accordance with the principle of the process of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E. (No.4) 2008 approved by the Board in 2008.

**1.3.4 Shareholders**

Top ten major shareholders, number of shares and holding percentage on March 12, 2021, the latest record date.

Names	No. of Shares	% Shareholding (before deduction of treasury stock ⁽¹⁾)
1. CPG Group ⁽²⁾ comprises:	4,429,098,680	51.43%
1.1 CPG ⁽³⁾	2,154,464,925	25.02%
1.2 Jumbo Kingdom Ventures Ltd. ⁽⁴⁾	867,032,116	10.07%
1.2 Charoen Pokphand Holding Co., Ltd. ⁽⁵⁾	743,660,460	8.64%
1.4 Orient Success International Ltd. ⁽⁴⁾	120,814,159	1.40%
1.5 Worth Access Trading Ltd. ⁽⁴⁾	117,342,300	1.36%
1.6 CPF (Thailand) Plc. ⁽⁶⁾	145,684,000	1.69%
1.7 CP Foods Capital Ltd. ⁽⁷⁾	120,415,720	1.40%
1.8 Bangkok Produce Merchandising Plc. ⁽⁸⁾	82,885,000	0.96%
1.9 Plenty Type Ltd. ⁽⁷⁾	76,800,000	0.89%
2. Thai NVDR Co., Ltd. ⁽⁹⁾	630,488,740	7.32%
3. Social Security Office	295,858,920	3.44%
3.1 Social Security Office ⁽¹⁰⁾	268,432,800	3.12%
3.2 Social Security Office by Krung Thai Asset Management Plc. ⁽¹⁰⁾	8,139,480	0.10%
3.3 Social Security Office by One Asset Management Co., Ltd. ⁽¹⁰⁾	7,173,880	0.08%
3.4 Social Security Office by UOB Asset Management (Thailand) Co., Ltd. ⁽¹⁰⁾	4,915,980	0.06%
3.5 Social Security Office by SCB Asset Management Co., Ltd. ⁽¹⁰⁾	4,284,780	0.05%
3.6 Social Security Office by Kasikorn Asset Management Co., Ltd. ⁽¹⁰⁾	2,912,000	0.03%
4. STATE STREET EUROPE LIMITED ⁽¹¹⁾	206,543,160	2.40%
5. GIC PRIVATE LIMITED ⁽¹¹⁾	152,842,822	1.77%
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED ⁽¹¹⁾	135,618,150	1.57%
7. Mr. Prinya Tieanworn	83,500,000	0.97%
8. Vayupak Fund	59,198,200	0.68%
8.1 Vayupak Fund 1 by MFC Asset Management Plc. ⁽¹²⁾	29,599,100	0.34%
8.2 Vayupak Fund 1 by Krung Thai Asset Management Plc. ⁽¹²⁾	29,599,100	0.34%
9. MORGAN STANLEY & CO. INTERNATIONAL PLC ⁽¹³⁾	44,269,700	0.51%
10. BNY MELLON NOMINEES LIMITED ⁽¹³⁾	39,897,427	0.46%

CPG Group does not have any shareholding in no. 2-6 and 8-10

Note

⁽¹⁾ 197,673,800 treasury stock or 2.30% of total issued and paid-up shares of CPF

⁽²⁾ CPG Group is a reporting group to be in compliance with Section 246 and Section 247 of the Securities and Exchange Act of 2535 (as amended)

⁽³⁾ Engaging in investment business as well as importing and distribution of chemical products and providing technical services. Top ten major shareholders of Charoen Pokphand Group Co., Ltd. ("CPG") and % shareholding of such persons are as follows: Sumetjaravanon Co., Ltd. 12.96%, Mrs. Somurai Jaruphrit 8.42%, Mr. Dhanin Chearavanont 6.48%, Mr. Nakul Chiaravanont 6.00%, C.P. Holding (Thailand) Co., Ltd. 4.47%, Mr. Phongthep Chiaravanont 4.26%, Mr. Manas Chiaravanond 4.22%, Mrs. Somsri Lumsam 4.21%, Mr. Nopadol Chiaravanont and Mrs. Nuchanart Chiaravanond 3.00% each.

⁽⁴⁾ CPG's indirect subsidiary, engaging in investment business

⁽⁵⁾ CPG's direct subsidiary, engaging in investment business

⁽⁶⁾ CPF's direct subsidiary, engaging in agro-industrial and integrated food business

⁽⁷⁾ CPF's indirect subsidiary, engaging in investment business

⁽⁸⁾ CPF's direct subsidiary, engaging in animal feed raw material distribution

⁽⁹⁾ A Thai company, contact information: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand, Thai NVDR Co., Ltd. issues Non-Voting Depository Receipt (NVDR) and offers to investors. NVDR investors are entitled to receive all financial benefits as if they invest in ordinary shares. However, NVDRs generally are not allowed to participate and vote in shareholders' meetings except only in the case where the company wishes to delist itself from the SET.

⁽¹⁰⁾ 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

⁽¹¹⁾ 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

⁽¹²⁾ A Thai fund, contact information: Kasikorn Bank Plc., Custodian Department, 19th Floor, Soi Rat Burana 27/1, Rat Burana Road, Bangkok 10140, Thailand

⁽¹³⁾ A foreign company, contact information: 968 HSBC Building, 5th Floor, Rama 4 Road, Bangrak, Bangkok 10500, Thailand

Shareholders agreement which affect securities issuance or operation of the Company and signed by the Company
-None-

**1.4 Registered and Paid-up Capital as of December 31, 2020**

CPF has one class of shares which is ordinary share entered the holder's name and shall be of equal par value, Baht 1 per share.

Registered Capital : Baht 9,291,530,318 comprising of 9,291,530,318 shares

Paid-up Capital : Baht 8,611,242,385 comprising of 8,611,242,385 shares

1.5 Other SecuritiesDebentures

As of December 31, 2020, there were 25 CPF outstanding debentures, totaling principal of Baht 116,240 million as prescribed below. All debentures have been rated "A+" with "Stable" outlook by TRIS Rating Co., Ltd. on December 8, 2020.

Debentures	Amount (THB mn.)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum
1. CPF Debenture #1/2011 Series 2	3,000.0	Aug. 19, 2011	Aug. 19, 2021	10	4.87%
2. CPF Debenture #1/2011 Series 3*	4,000.0	Aug. 19, 2011	Aug. 19, 2041	30	5.42%
3. CPF Debenture #2/2011*	6,000.0	Dec. 21, 2011	Dec. 21, 2041	30	5.42%
4. CPF Debenture #2/2012 Series 2	4,000.0	Aug. 3, 2012	Aug. 3, 2022	10	Year 1-4 = 4.40% Year 5-9 = 5.00% Year 10 = 6.00%
5. CPF Debenture #2/2012 Series 3*	5,000.0	Aug. 3, 2012	Aug. 3, 2032	20	5.30%
6. CPF Debenture #2/2013 Series 3	5,500.0	Aug. 2, 2013	Aug. 2, 2021	8	4.90%
7. CPF Debenture #1/2015 Series 2	5,500.0	May 13, 2015	May 13, 2023	8	3.98%
8. CPF Debenture #2/2015 Series 1	1,940.0	July 29, 2015	July 29, 2023	8	3.97%
9. CPF Debenture #2/2015 Series 2	3,000.0	July 29, 2015	July 29, 2025	10	4.28%
10. CPF Debenture #2/2015 Series 3	2,000.0	July 29, 2015	July 29, 2027	12	4.51%
11. CPF Debenture #1/2016 Series 2	3,500.0	Apr. 12, 2016	Apr. 12, 2024	8	3.11%
12. CPF Debenture #1/2016 Series 3	2,500.0	Apr. 12, 2016	Apr. 12, 2031	15	3.73%
13. CPF Debenture #1/2017**	15,000.0	Mar. 2, 2017	N/A	N/A	Year 1-5 = 5.00% and after the 5 th year, the interest rate is adjusted every 5 years based on: (1) 5-year government bond yield (2) Initial Credit Spread and (3) percentage as stipulated in the prospectus
14. CPF Debenture #1/2018 Series 1	5,460.0	Jan. 24, 2018	Jan. 24, 2025	7	3.05%
15. CPF Debenture #1/2018 Series 2	6,540.0	Jan. 24, 2018	Jan. 24, 2028	10	3.60%
16. CPF Debenture #2/2018 Series 2	7,600.0	Nov. 15, 2018	May 15, 2022	3 years 6 months	3.20%
17. CPF Debenture #2/2018 Series 3	2,200.0	Nov. 15, 2018	Nov. 15, 2024	6	3.79%
18. CPF Debenture #2/2018 Series 4	3,200.0	Nov. 15, 2018	Nov. 15, 2028	10	4.41%
19. CPF Debenture #2/2018 Series 5	5,300.0	Nov. 15, 2018	Nov. 15, 2030	12	4.66%
20. CPF Debenture #1/2020 Series 1	8,407.6	Jun. 5, 2020	Jun. 5, 2024	1	3.00%
21. CPF Debenture #1/2020 Series 2	7,164.4	Jun. 5, 2020	Jun. 5, 2024	1	3.00%
22. CPF Debenture #1/2020 Series 3	2,725.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
23. CPF Debenture #1/2020 Series 4	2,643.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
24. CPF Debenture #1/2020 Series 5	940.0	Jun. 5, 2020	Jun. 5, 2032	12	3.75%
25. CPF Debenture #1/2020 Series 6	3,120.0	Jun. 5, 2020	Jun. 5, 2035	15	4.00%

* Debenture with holders' early redemption right at the end of year 15

** Subordinated perpetual debenture which is similar to equity with one-time payment upon dissolution of CPF or upon the exercise of CPF's early redemption right

Bills of Exchange

As of December 31, 2020, CPF had outstanding bills of exchange totaling Baht 38,754 million.



1.6 Dividend Policy

CPF has a policy to pay dividends to shareholders twice a year. The total dividend paid each year will not be less than 30% of net income (which is attributable to equity holders of CPF). The dividend payments may be subject to change, depending on such variables as the Company's operations results, its financial position, future projects and prevailing economic conditions at the time.

Additionally, CPF has a duty to comply with the terms and conditions of its debentures, which prohibit CPF from paying cash dividends to shareholders in the event of CPF being unable to service interest payments on, or any other amounts owing to, the debenture holders.

For subsidiaries that are listed in foreign stock exchanges, the dividend payment will be depend upon the Board of Directors' meeting or Shareholders' meeting resolution (as the case may be). For subsidiaries that are non-listed companies, the dividend payment will depend upon such issues as their future investment plans, their financial structure and liquidity. In the fiscal year ended December 31, 2020, CPF's dividend income from subsidiaries totaled Baht 11,522 million, of which Baht 312 million was from subsidiary that are listed in foreign stock exchanges and Baht 11,210 million was from subsidiary that are non-listed company.

2. Risk Management

2.1 Risk Management Policy

The Company operates integrated agro-industrial and food business. Its operations are related to an extensive range of risks due to changes of business environment and stakeholder requirements. The Company believes that risk management throughout the corporate is a significant factor enabling the Company to achieve its business goals, promotes readiness for adapting to various and rapid changes, including creating opportunities to ensure sustainable business operations and appropriate return for stakeholders. However, there may be some risks beyond control or management and such risks may affect the Company's operations and reputation.

Risk Management Culture

The Company has focused on fostering its risk management culture through a wide range of operations with the aim of creating employee awareness on risk matters. In overview, the Company has continuously taken following actions:

- promulgating the Risk Management Policy and communicating the policy to its employees throughout the corporate for acknowledgement;
- setting up a risk management framework and integrating principles of risk management with internal work processes to raise awareness on uncertainty that may occur and to promote the risk management as part of the operations;
- determining the corporate risk appetite and communicating it to employees for acknowledgement;
- regulating the risk management as one of the corporate strategies which all departments must prioritise and practice, including emphasizing that employees of all levels shall take into account the risks that may occur before making any decisions or practices;
- organising risk trainings for and with both external and internal units to ensure that the executives understand and are able to assess risks that may affect goal achievement or operational strategies;
- organising risk workshops for and between business executives and the Risk Management Office;
- establishing a risk management process as well as continuously monitoring progress on mitigation actions;
- including the risk assessment process as part of considerations on the Company's major investment projects; and
- imposing Key Risk Indicators (KRIs) as an alarm providing an early signal of future risks and following up on implementation progresses.

CPF Risk Management Policy

The Company has developed the integrated risk management policy and system with the aim of determining risk management approaches that are consistent across the corporate and cover all types of risks, including environmental, social and governance risks (ESG Risk), as well as all working processes and employees of all levels. Substantially, the Company has implemented risk management in conformity with COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in terms of risk-based supervision and risk culture, determinations of strategies and objectives, identification of risk factors associated with strategies and performances, risk assessment and management, including monitoring and reviewing risk levels in case of significant environmental changes. The Company has also conducted risk reports and communications systematically and continuously by applying the risk appetite as a critical factor for the risk management.

There are related Committees and units involve in the aforementioned operations as follows:

- The Audit Committee is assigned by the Board of Directors to review and ensure that the Company and high-ranking executives have complied with the Risk Management Policy and strategies, including the corporate risk appetite, as well as to review overall sufficiency and effectiveness of the Risk Management Policy and strategies;
- The Executive Committee shall supervise and monitor significant business risks, including managing risks and promoting risk management culture throughout the corporate;

- The Risk Management Sub-committee with the Chief Financial Officer performing as the Chairman of the Sub-committee shall follow up and supervise the implementations according to the Risk Management Policy by reviewing CPF's significant risks and risk assessment results as well as determining risk management measures by cooperating with all related units which are risk owners. The Risk Management Sub-committee shall also monitor risks and progresses on the implementations according to the measures, all of which are monitored in the meetings arranged at least on a quarterly basis;
- The Risk Management Office shall promote, disseminate knowledge and provide suggestions about risk management to various business units, including following up on progresses on the risk management;
- Business units executives shall be responsible directly for the risk management within scopes of their responsibilities and report the risk management results to the Risk Management Sub-committee; and
- Internal Audit Office shall assess operational processes and provide advices for improving the risk management system.

The Company determines that the risk assessment shall be carried out on a quarterly basis or when there is a significant change in environmental conditions. The Risk Management Sub-committee shall report the assessment results to the Executive Committee and the Audit Committee respectively, including notifying the assessment results to the Management Committee for acknowledgment in order to carry out according to the predetermined management measures.

2.2 Significant Risks and Risk Management Strategies

2.2.1 Emerging Risks

(1) Risk from Innovation on Plant-Based and Cell-Based Protein

One of food trends being interested by consumers is the innovation on plant-based and cell-based protein since they are aware of greenhouse gas emissions in the livestock industry. It is forecasted that in the next 10 years, sales volume of alternative protein products will increase from 1% to be 10% of sales volume of meat products, which may affect the Company's sales volume since it is the world leader in livestock and food production.

Risk Management

The Company has expertise in food business; therefore, it is committed to running business to meet consumer requirements by:

- establishing CPF Food Research and Development Center to be the center for food research and development, as well as extending research results to develop food products, whereas a prototype factory is used as an area for testing and trial producing products by modern technologies;
- studying trends and analysing consumer requirements and potential of new business opportunities.

(2) Expansion of Online Sales Channel

The number of internet users continues to increase around the globe. As a result, product sellers use it as sales channels with expectations for higher sales volumes. In the meantime, consumers today perceive that online shopping offers convenience in terms of product selection and purchase, payment and receipt of goods. Online sales channel therefore has greatly affected the sales channels with brick and mortar. The Company has improved its strategies related to distribution and restaurant businesses to reduce the impact on branch sales due to the growth of online sales as well as accelerates opportunity creation to present products to consumers online.

Risk Management

The Company has studied and developed various types of sales channels to create selling opportunities by:

- considering areas of branches to ensure appropriateness as well as improving sales by offering a wide variety of products under the Company's brand such as CP Fresh Mart, Five Star Shop, Star Coffee, etc., including synergy with potential external partners to increase product diversity;
- developing new sales channels such as social media, the Company's website and applications, etc.;
- offering specific promotions for new sales channels to create new customer base; and
- providing delivery service.

(3) **Tendency towards Demand for Products with Higher Standards**

Customer and consumer expectations and requirements for diverse product standards or specifications are getting higher, for instance, the Better Chicken Commitment, the Sustainability Regulation etc. This tendency may have impact on a quantity of manufactured goods that must be in line with higher standards, as well as affect food farming, production and cost of goods.

Risk Management

Developing products in accordance with customer and consumer requirements is a fundamental factor which the Company has applied for operating business. Therefore, the Company has carried out various aspects to enhance its business operations as follows:

- developing sustainability at sources of animal feed raw materials such as:
 - purchasing corn from identifiable areas of cultivation according to title deeds and a guideline prescribing "no forest encroachment, no burning, we buy";
 - promoting fishmeal business partners to comply with the Global Standard for Responsible Supply (IFFO RS); and
 - implementing the Catch the Trash Project through the Sustainable Fisheries Research and Development Institute by campaigning preventions of garbage dumped overboard from fishing vessels and carrying marine debris stuck with fishing equipment back to the shore;
- improving farming and production processes by fostering human consciousness in promoting animal welfare and animals' expression of natural behavior as well as reducing and avoiding transformation of animal physicals in various forms;
- designing production process that can reduce food waste occurred during the production process;
- developing CPF Food Standard to ensure the same system throughout the supply chain;
- pushing waste reduction at its source by adopting the 4Rs principles such as reducing uses of plastic packaging, turning sludge from wastewater treatment system to be compost and producing biodiesel from leftover frying oil; and
- studying social and consumer trends and expectations in order to deploy them in business operations.

2.2.2 ESG Risks

(1) **Climate Variability**

The global climate has changed more rapidly in recent years, resulting in serious environmental threats that occur frequently for longer periods of time. These threats include heat waves, drought, forest fires, particulate matter, flash floods, and mudslides, etc. Natural disasters and such inclement weather have affected efficiency of the Company's supply chain management in terms of quantities and prices of raw materials and animal farm management.

Risk Management

The Company realizes that running the business to create environmental, community and social balances shall lead to a sustainable business. Therefore, the Company has carried out various implementations including internal system development and operations in alignment with the Paris Agreement and the Recommendation of Task Force on Climate-related Financial Disclosure (TCFD), with the aim of ensuring that the Company has used its resources most efficiently and productively and disclosing information to the public. Details are as follows:

- setting long-term goals on reduction of greenhouse gas emissions and implementing related tasks through a wide range of projects;
- assessing effects of climate change in accordance with the TCFD recommendations and disclosing the information to the Carbon Disclosure Project (CDP) and on the Company's website;
- improving Safety, Health, Environment and Energy standard (CPF SHE&En Standard) which is an important mechanism for effective management and development of environmental quality as well as setting the operational indicators both short-term and long-term goals;

- establishing stable procurement of agricultural raw materials by analysing balance between demand and supply, managing raw material inventory, strengthening capabilities of agricultural raw material suppliers and conducting research and development in order to study intensively on renewable raw materials;
- improving manufacturing processes throughout the supply chain to reduce losses derived from the production of animal feed raw materials to the production of food for consumption, and reducing amount of food waste within the Company's processes, including monitoring performances through indicators;
- promoting uses of renewable energy and enhancing energy efficiency such as using energy from biomass instead of coal, developing energy from biogas to replace fuel oil and cooking gas and utilising solar energy, etc.,
- developing green products such as the products being certified with carbon footprint label, carbon footprint reduction label, and water footprint label, etc.; and
- developing sustainable packaging by using substitutes for plastic and reusable packaging such as bulk feed tank for containing animal feed, Q-pass tank for containing newborn shrimps, polylactic acid (PLA) packaging produced from plants for containing foods, trays made from pulp from alternative planting sources, paper trays or food bags made from single-material plastic, all of which can be totally recycled. For food distribution channels, paper packaging have been used for takeaway foods, including launching a campaign to stop using plastic bags through the project called "Say No to Plastic Bags When Buying Only Few Items" at CP Fresh Mart shops.

(2) Quantity and Adequacy of Water

Water resources are very important to continuity in the agricultural food industry. However, drought situation has become more severe and expanded continuously. In 2020, the Company assessed water risk and found that over 57% of the Company facilities are located in the areas having water stress. Therefore, qualitative and quantitative management of water is the Company's challenge, whereas a balance between the business, community and society must be accomplished.

Risk Management

The Company has determined water management approaches to reduce impact may occur due to shortage of quality water, with details as follows:

- selecting locations of business establishments by considering risks related to essential utilities;
- for current business establishments: setting annual and long-term targets on water use per unit of production and water risk management plans such as enhancing water use efficiency, procuring reserve water sources and reserving water for being used in the future, etc., and assessing results on water use against targets, analysing and finding improvement approaches, including monitoring water situation in order to set business continuity plan;
- developing uses of water resources throughout the production processes, which shall be done on the basis of circular economy to enable reuse of water;
- listening to opinions of co-users of water and surrounding communities;
- researching and developing animal husbandry technologies and productions to reduce water consumption or increasing water use efficiency as worthy as possible, for instance, developing air cooling system to be used instead of water cooling system; and
- focusing on formulation, conservation and restoration of watershed forests through various projects implemented at the Company, community and national levels.

(3) Human Rights in the Supply Chain

The Company has determined a comprehensive human rights due diligence on an ongoing basis throughout its supply chain to look for important human rights issues regarding working condition, health and safety of employees and communities, data privacy, illegal labours (e.g. child labour, forced labour and illegal migrant workers) in the supply chain, as well as health and safety of partners and contractors, including standard of living and community

safety in the supply chain. The Company therefore set guidelines to manage these issues in order to reduce impacts on the Company's supply chain management efficiency, including creating business opportunities and reducing risks from prosecution and trade barrier.

Risk Management

The Company has respected human rights and complied with international standards of the United Nations and requirements of the International Labour Organization as follows:

- imposing policies and guidelines, communicating and monitoring progresses on policy implementations such as the Human Rights Policy, the Good Corporate Governance Policy, the Sustainable Sourcing Policy for Business Partners, the Safety, Health, Environment and Energy Policy, and the Employment and Labour Management Policy, etc.;
- developing surveillance processes and assessing on human rights aspect comprehensively;
- organising trainings to educate Thai and migrant employees regarding human rights, labour rights, labour laws, health and safety in workplaces and giving suggestion about channel of complaints which can make through Labour Voice Hotlines by LPN; and
- collaborating with the Labour Protection Network to establish Labour Voice Hotlines by LPN to provide all employees the channel for expressing opinions, suggestions, complaints or inquiries.

(4) Occupational Health and Safety Risks

Although the Company has placed importance on safety and health standards, working within manufacturing facilities and animal farms or traveling to work in various places may cause risks on work safety, transport safety or driving safety. Thus, accidents or undesired events can lead to losses of life, morale, property or business capabilities.

Risk Management

The Company recognizes and places great importance on safety of both employees and contractors who perform their duties for the Company; therefore, the Company has set its risk management system on safety and occupational health as follows:

- improving Safety, Health, Environment and Energy Standards continuously as well as reviewing operating results annually in order to enhance security measures and protection readiness;
- analysing hazards that are the Company's major risks, organising trainings to raise awareness and understanding on first aid methods, enhancing work environment and preparing personnel and emergency response equipment;
- organising proactive safety activities such as searching for near miss incidents, giving suggestions for work improvement (Kaizen) as well as mentoring and focusing more on employee engagement;
- applying innovation and technology in safety and occupational health, for example, using the modeling program that estimate how a toxic cloud might disperse after a chemical release in order to understand its potential scope and impact and using information obtained for emergency planning and preparedness;
- exchanging experiences within and between business units; and
- setting goals on reducing lost-time injury frequency rate.

(5) Corruption

The Company is required to contact and coordinate with the government agencies both in the central and regional regions. These agencies have different and diverse work procedures. The Company therefore has to study and understand a bureaucratic system, including setting action plans in accordance with its predetermined operating plans to prevent bribery in various forms which could lead to prosecution and reputational damage.

Risk Management

The Company has established internal operating systems in accordance with the procedures and regulations of the government agencies in order to ensure that all contacts and coordination with the government agencies are transparent and auditable as follows:

- imposing policies and regulations such as the Anti-corruption Policy, the Good Corporate Governance Policy, Rules and Regulations on Gift Giving and Receiving, Reimbursement of Hospitality Expenses, and Donation to Charity, etc., and communicating appropriate practices through the Company's internal channels;
- creating corruption-free atmosphere, determining reimbursement, disbursement and audit systems adequately and concisely;
- organising trainings for employees to raise their awareness on anti-corruption;
- specifying scope, roles and responsibilities of each unit that has to contact the government agencies;
- studying work systems of the agencies being contacted in order to design clear procedures and practices;
- assessing risks that may arise due to failure to comply with the government agencies' regulations as well as determining management measures; and
- providing channels for whistleblowing, receipt of complaints or suggestions, including applying process of investigation undertaken by the committee.

(6) Risk from Pandemic in Humans

Throughout 2020, the COVID-19 outbreak had severe and broader impacts in terms of life safety and health of employees and customers using the Company's distribution channel services such as CP Fresh Mart branches, etc., as well as management of quantity, sufficiency and safety of food distributed to customers, and customers' businesses interruptions, all of which might affect the Company's operations. The Company therefore had to prepare surveillance, establish an ongoing pandemic prevention system, manage crisis situation and business continuity, and assure customers on safety and sufficiency of the products, including providing assistance to customers as appropriate.

Risk Management

As the leader in food production and distribution, the Company has managed the situation through various implementations to ensure employees' operational safety; including setting targets for producing safe and sufficient products to meet customer requirements and supports customers to ride out a difficult situation as follows:

- establishing the Management Committee COVID-19 to monitor and evaluate the situation and impacts as well as to determine management guidelines and conduct meetings regularly;
- formulating 9 prevention and surveillance measures within the business establishments in Thailand and foreign countries in order to build stakeholder confidence in the Company's sanitation management system and reduce risks caused by the disease outbreak within the business establishments as follows:
 - setting up the prevention of transmission of COVID-19 centers to manage the overall situation as well as the sub-centers at the business unit level;
 - communicating knowledge about disease and preventive measures to employees continuously;
 - focusing on screening for disease by measuring all employees' body temperatures daily and considering on other symptoms as well;
 - practicing social distancing by allowing employees in vulnerable groups to work from home, separating work spaces for employees and refraining from visiting the business establishments, including a policy prohibiting employees from traveling to vulnerable areas;
 - determining guidelines on personal hygiene as well as preparing adequate equipment such as face masks, alcohol, hand sanitizers, etc.;
 - conducting safe transportation of goods for both operators and recipients, for example, measuring drivers' body temperatures before starting to deliver goods, wearing masks and washing hands before and after goods deliveries, etc.;
 - determining service model at shopfronts, whereas shop- operators and customers shall wear masks and measure body temperatures before entering the shops, providing alcohol gel hand sanitizer services and defining the number of customers for entering the shop;

- providing safe food delivery, whereas food delivery drivers must wash their hands before and after delivery services, keeping 2-meter distance with no-touch deliveries and screening food delivery drivers; and
- monitoring and assessing performances by having employees assess themselves while the central working group shall monitor work operations.
- boosting employee morale by announcing the policy prescribing employee care such as supporting employees according to determined criteria, providing foods to employees who are monitored detainees, including setting up a hotline to offer advices to employees who are experiencing crisis situations in order to help them relieve stress and anxiety, etc.;
- managing finance and investment in terms of liquidity, receivable management, investment and financial budget review to suit the situation;
- setting production plan and supply chain management plan by considering on customer and consumer requirements;
- communicating with customers and consumers through public communication channels to strengthen their confidence in product sufficiency and safety;
- providing assistance to customers by considering on customer history and appropriateness of supporting measures;
- providing assistance to third person by utilising the Company's expertise, for instance, providing food supports to healthcare operators carrying out activities related to COVID-19 and delivering food to people who are monitored detainees through a registration system as well as checking information with the government agencies, etc.; and
- studying a wide variety of guidelines in order to consider formulation of strategies and operational guidelines to accommodate new normal that are expected to occur after the end of the crisis.

However, a level of pandemic severity in each country may be different and it is not known exactly when the crisis will end. The Company therefore continues to monitor the situation as well as emphasises and implements preventive and surveillance measures constantly.

(7) Community-based Dispute Risk

The Company has set criteria for selecting locations of business establishments by considering on safety of animals and manufactured products from contamination, adequacy of basic utilities, impacts on the environment and neighboring communities, transportation of raw materials and products, including compliance with the laws related to each type of business establishment. However, changing environment, community expansion and city growth may result in community-based disputes in various aspects, for instance, water management, dust and odor from the production processes, and leaks of water under treatment, etc. These may affect the Company's reputation and business continuity or generate costs of handling disputes.

Risk Management

Building good relationships to achieve acceptance and become part of the communities is the starting point which the Company has adhered to as well as other implementations in various aspects in order to remain in the communities sustainably. Details are as follows:

- new business establishment: getting into the area to listen to opinions of the communities and assess the project investment risk before initiating and implementing the project;
- current business establishments:
 - adopting standardised management systems for business operations;
 - setting systems to prevent and monitor possible errors;
 - monitoring situations that may cause community disputes such as drought, storm, and heavy rain;
 - getting into the field to discuss issues of concern with the communities and identifying community impact issues in order to determine management approaches;

- developing community complaint management system;
- conducting surveys on community requirements and setting up guidance on joint actions such as mitigating drought for the communities by sharing treated water from biogas production system in order to be used as liquid fertiliser; and
- preparing emergency response plans in case of any incidents affecting the communities.

(8) Risk of High Debt Due to Acquisitions and Investments

As of December 31, 2020, CPF and its subsidiaries had interest-bearing liabilities of Baht 416,111 million which included the amount of fixed-rate loans for Baht 356,054 million, accounted for 86% of total interest-bearing liabilities. The Company had a net debt to equity ratio^{/16} at 1.22 times which was close to the previous year at 1.33 times. Such net debt to equity ratio is lower than the ratio prescribed in the term and condition.

In March 2020, the Board of Directors approved C.P. Merchandising Co., Ltd. ("CPM"), a wholly-owned subsidiary of the Company, to acquire shares or benefits of investment (economic interest) in the proportion not over than 20% of the total issued shares of (a) Tesco Store (Thailand) Co., Ltd. ("Tesco Thailand"), which held 99.99% of the shares of Ek-Chai Distribution System Co., Ltd., a retail business operator under the Tesco Lotus trademark in Thailand, and (b) Tesco Stores (Malaysia) Sdn. Bhd. ("Tesco Malaysia"), which operated a retail business under the Tesco trademark in Malaysia (Tesco Thailand and Tesco Malaysia continue to be called as "Tesco Asia Group").

The said investment by CPM is an indirect investment made through a special purpose juristic person established for investment, namely C.P. Retail Holding Co., Ltd. (the "Holding Company"), which held all shares in C.P. Retail Development Co., Ltd. CPM's investment in the Holding Company for the Tesco Asia Group investment is approximately Baht 40,973 million.

The Company's sources of funds for this investment include the group corporate cash flows and loans from financial institutions, resulting in a higher debt to equity ratio. However, it shall not cause the Company to breach any financial covenants under any loan agreements or debentures of which the Company has outstanding debts presently.

Risk Management

The Company has a plan to reduce debt burden by using cash flows from both domestic and overseas business operations which have been growing continuously. In the meantime, CPF has complied with the terms and conditions of the debentures by maintaining the net debt to equity ratio accordingly as follows:

- As of December 31, 2017, net debt to equity ratio was not higher than 1.13 times;
- As of December 31, 2018, net debt to equity ratio was not higher than 1.32 times;
- As of December 31, 2019, net debt to equity ratio was not higher than 1.33 times;
- As of December 31, 2020, net debt to equity ratio was not higher than 1.22 times.

2.2.3 Strategic Risks

(1) Changing Customer Behaviours and Entering an Aging Society

Consumer behavior has greatly changed due to the COVID-19 outbreak, for instance, choosing safer products, changing buying channel with the aim of reducing contacts and risks from congestion of people, including lessening eating at restaurants. The Company therefore has to adjust its sales models by starting from the product management of both online sales and sales through CP Fresh Mart branches and increasing production of the products with bigger packages as consumers have changed their behaviors from purchasing products with small package size to large package size, etc.

^{/16} Calculated according to the criteria specified in the Term, Conditions and Obligations of the Issuer and Debentureholders of CPF Debentures, No. 2/2556, and debentures issued thereafter, whereas net debt refers to all debts bearing interest which excludes liabilities under financial lease and subtracts cash, cash equivalents and current investments.

Moreover, the population structure has changed as well. Due to lower birthrate and mortality, the elderly proportion has increased. Therefore, developing the products to meet the quantity and requirements of consumers in each age group is a challenge, whereas the Company shall accelerate the study and implementation in order to create new business opportunities.

Risk Management

The Company has focused on new developments and inventions to meet the changing global food industry, the aging society as well as the changing behavior of consumers by:

- conducting researches on food innovations with experts in order to adapt to behavioral trends and changes in population structure as well as to be able to reduce the number of days from the invention process until the product is launched to the market, resulting in being able to present new products quicker and keeping abreast of business changes;
- developing products by focusing on nutrition wellness, health and well-being such as
 - Cheeva Pork, a high quality pork that contains high volumes of good fat and Omega 3, which has been certified by the National Sanitation Foundation (NSF International) and received the food innovation award at the ThaiFex-Anuga Asia 2020;
 - Functional Drink which include 3 products namely “FRESH” to create freshness, “DEEP” to help relax before bedtime and sleep deeply, and “IMU” to reduce allergy and cold;
 - the products with lower sodium and fat; and
 - patient-specific products;
- developing products to better meet consumer requirements such as layer hens in cage-free housing and broiler and fattening pigs with new feeding formula resulting in softer meat;
- increasing marketing communication channels through various media, especially social media, point-of-sale or during product delivery; and
- increasing sales and service channels to reach more consumers, for example, presenting the products to target groups at their homes, selling the products through CP Fresh Mart’s website and applications and providing home delivery services, etc.

(2) Investment and Performance

In 2020, the Company earned revenues from its overseas businesses for 69% which is a result of the investment expansions in agro-industrial and food businesses in which the Company has expertise. These investments include both existing investment expansion and acquisitions or mergers with the aim of enhancing product variety, expanding sales market as well as reducing restrictions on trade. However, generating expected returns has become the Company’s challenge.

Risk Management

The Company has set rules and guidelines for considering investment projects to ensure that its investments shall generate expected returns, with detail as:

- before making investing decision: considering investment objectives and appropriateness of the business or company to be acquired, studying laws and business environment in the country in which the Company is going to invest, preparing due diligence, including scrutinising the project by the Company’ Board of Directors; and
- after making investing decision: monitoring the project performance through indicators. In the event that the project performance does not meet the target, it would be followed up as special case, whereas the Management shall present the problems being found and management approaches.

2.2.4 Operational Risks

(1) Product Quality and Safety

Presently, consumers concern more about healthy eating that can maintain good health as well as prevent and treat diseases. Therefore, quality foods from clear sources that have been produced and delivered to consumers through standardized processes shall naturally create credibility and are attractive options in buyers' perspectives. The Company therefore offers the products that meet consumer requirements in terms of taste, quality, safety, nutritional values prescribed by the laws of countries of destination.

Risk Management

With the aim of producing quality and safety foods for good health with nutritional values and good tastes according to consumer requirements, the Company has conducted as follows:

- promulgating the Global vision on Antimicrobial Use in Animals, the Quality Policy and the Food Traceability Policy as operational frameworks throughout the supply chain, including determining relevant indicators in order to set operational sustainability goals;
- cooperating with experts to conduct research and development on feed productions, animal husbandry and production food for human consumption, all of which are made by considering quality, safety, consumer requirements and legal compliance;
- developing foods that are suitable for nutrition wellness and nutritional needs for different life stages and physical;
- developing packaging that maintains its properties and is effective in keeping food products safe and preserving nutritional values;
- enhancing animal welfare so that farm animals can behave naturally while living in independent animal housing, including no antibiotics use for disease prevention;
- applying international quality standards and developing CPF Food Standards to ensure the same system throughout the supply chain, as well as linking information related to the products to enable digital traceability;
- developing Key Risk Indicators (KRIs) to provide alerts on quality risks and product safety;
- listening to consumer opinions and receiving consumer complaints through various channels, including setting response time for management based on severity of situation;
- communicating clear and adequate product information through media and product labels; and
- improving and rehearsing the Product Recall Plan for supporting in case experiencing critical issues in products.

(2) Animal Epidemics / Animal-to-Human Epidemics

Animal disease outbreaks often affect the quantity and quality of animals produced. Some diseases are particularly damaging to animals, for example, African Swine Fever which had an ongoing outbreak over the past year in many countries. As a result, the amount of pigs produced worldwide decreased; however, it had created opportunities for farmers who could control the outbreak well. In addition, there are also some epidemics that can be transmitted to consumers. Subsequently, when any animal disease outbreak occurs, consumers then tend to delay their consumption of such kind of animal immediately. Therefore, no matter what form of disease outbreak occurs, it often has impacts on farmers and the Company as the business leader as well.

Risk Management

The Company has analysed important factors in animal husbandry and complied with principles of practice to keep animals healthy with details as follows:

- developing animal breeds to suit the environment;
- developing animal feeds with suitable nutritional values to meet the needs of each animal type, breed and age;

- determining farm locations based on the risk management and biosecurity management, including designing and using suitable animal housing and farming equipment;
- applying farming technology and environmental management such as an evaporative cooling system while adequate feed, air, and water are provided, including ensuring an appropriate density of animals and compliance with international standards;
- applying biosecurity systems in animal husbandry to prevent diseases in soil, water and air;
- developing an early-warning system to help prevent disease outbreaks, which enables workers to enhance preventive measures in a timely manner;
- following up on news regarding diseases as well as conducting researches intensively on factors that cause diseases;
- cooperating with agencies in the public and industrial sectors in order to provide opinions and supports on various operations; and
- preparing and rehearsing crisis management plan to cope with epidemics situation.

(3) Supply Chain Management Efficiency

The United Nations predicts that in 2050, the world population will reach 9.7 billion people. Increase of population means increase of demand for food as well. The Food and Agriculture Organization of the United Nation also estimates that food demand will rise for 70% or equal to meat consumption for 470 million tons. Therefore, the Company as the leader of the food manufacturing industry has to focus on developing the supply chain efficiency in order to supply the world population quality foods with sufficient quantities at appropriate prices.

Risk Management

The Company's businesses are related to food manufacturing systems, the Company therefore sets targets on running the businesses to ensure efficiency and to be environmental, social and community friendly, including sharing management knowledge with both upstream and downstream business partners to manage efficiency in sustainable supply chain, with details as follows:

- cooperation with farmers and business partners: assessing major business partners according to sustainability strategic goals, determining indicators on procurement of raw materials from responsible and traceable sources, elevating business partners' capabilities through potential development workshops and collaborating with the government sector on business partner development, including driving sustainable seafood chains;
- internal management: setting business plans to ensure whole connection among animal feed production, animal husbandry and food production, applying technologies to enhance efficiencies and reduce costs under the concept of Smart Farm, Smart Factory, including connecting data on production and sales for work management; and
- marketing, sales and logistics: restructuring sales to create flexibility in customer coordination and applying technologies to support works, for example, collecting product information and customer information, receiving orders and tracking goods delivery status, including acknowledging receipt of payment, all of which result in speedy services and enhance sales efficiency.

(4) Volatility of Commodity Prices

A. Volatility of Prices of Raw Materials Used in the Production of Animal Feeds

Major raw materials used for manufacturing animal feeds comprise corn, soybean meal, fish meal and rice bran, accounted as cost for 50% of the total raw material cost for animal feed production in 2020. Most of these are agricultural products that may be affected by climate change or threat of pests, resulting in uncertainty in the quantity and quality of the products worldwide. These factors affect prices of raw materials and cause possibility of higher production costs. In addition, the government policies determining import restrictions or tax collections for corn, soybean meal and fish meal definitely affect costs of raw materials and may cause impacts on competitiveness of food products being distributed by the Company in foreign countries.

During 2019-2020, the average prices of raw materials used in the domestic production of animal feeds were as follows:

Unit: (Baht/Kilogram)

Types of Raw Material	Domestic Average Prices	
	2019	2020
Corn	9.2	9.0
Soybean meal	14.7	14.8
Fish meal	28.4	29.5

Risk Management

Good quality animal feed at a competitive cost with a reasonable price is the Company's risk management approaches for animal feed business. Therefore, the Company has determined operational guidelines as follows:

- purchasing raw materials from domestic sources firstly and then purchasing from overseas in case of insufficiencies or the qualities do not meet standards;
- conducting researches on alternative raw materials by using local raw materials as substitutes as well as researches on new alternative proteins such as single-cell protein and insect protein;
- improving forecasting system accuracy and considering risks of each raw material;
- using business networks to collect product information for purchase planning;
- planning precisely on demands for animal feed raw materials and purchasing raw materials in advance, especially in the harvest season; and
- centralising procurement of the Company and its subsidiaries' important types of animal feed raw materials.

B. Volatility of Prices of Live Animals and Meat Products

Over 47% of 2020 total sales was consisted of sales volumes of animal breeding, farming and primary processing. The major animals include pig, broiler, laying hen, duck, shrimp and fish, all of which grow in line with growing consumption demand of growing population. Moreover, since the Company is able to well manage the environment for animal husbandry and the basic processing, thus, the Company has increased sales opportunities accordingly. Nonetheless, in some situations, the Company has experienced significant decreases in customer and consumer demands or uncontrollable excessive industrial production when product prices in the market become higher and then entrepreneurs tend to expand their animal husbandry beyond consumer demand. Therefore, trend analyses on industrial production and consumer demand forecasts have become challenges that the Company shall manage in order to reduce impacts on its performance and growth goals.

Risk Management

The Company has focused on reducing impacts due to volatility of prices of live animals and primary processed meat by:

- analysing historical data, studying business cycle of each kind of animal, and considering expansion tendencies of the companies in the industry, including demand for animals and parts in order to set plans for investment, animal husbandry and production;
- developing the products to be outstanding and different from competitors' products in the market, for instance, product quality and safety as well as sustainability throughout the production chain and animal welfare;
- propelling sales of processed meat products and instant foods by focusing on product differentiation in terms of quality, taste and value, including responding to the consumer requirements;
- analysing markets to seek for new target customers or countries and promoting domestic consumption; and
- preparing backup plans on animal husbandry, production, marketing and sales in case of selling price volatility.

(5) Cyber Risk

The Company has applied information technology system to enhance business process efficiency and to be a tool for collecting data such as business strategies, production efficiency, employee data, business performance, partner information, customer & consumer information and requirements and expectations on products and brands. Therefore, in case the information is disclosed to the public by any uninvolved person or ahead of time, it may affect the Company's competitiveness, business continuity, credibility, reputation or causing lawsuit.

Risk Management

The Company has placed high importance on security in technology and information systems, therefore the Company has operated in various areas to ensure that the systems and information will not be attacked by uninvolved person. Details are as follows:

- promulgating the Information Security Policy and standards;
- appointing the Technology and Cyber Security Committee;
- selecting, developing and designing work systems and computer networks by considering system security according to international standards and user requirements;
- implementing information classification of each department and organising training on information classification principles and practices for employees since they start working;
- raising awareness on improper conduct through internal communication channels and organising trainings, seminars and phishing campaign to detect scam email;
- assessing efficiency and effectiveness of the information technology system according to international standards and considering additional management measures for the systems that collect important information, but their efficiencies and effectivenesses are lower than international standards
- collaborating with external experts in studies and searching for vulnerabilities in devices and computer programs, including seeking for management approaches;
- collaborating with consulting company to examine network access by uninvolved persons and verifying the security system;
- communicating to employees the best practices on system usage and information management as well as in case experiencing a computer virus outbreak or inappropriate email;
- preparing a back up site to maintain significant work system; and
- developing contingency plan to respond to an emergency that affected the information security and conducting joint rehearsal on such plan with relevant business units.

(6) Human Resource Management for Supporting Business Growth in the Future

The Company has a goal to achieve sustainable growth; therefore, it has been expanding businesses domestically and internationally as well as applying up-to-date technologies with work processes to enhance efficiency and effectiveness. Subsequently, the Company has to help employees understand about the benefits of using technology, conduct employee potential analyses and accelerate technological capability development in order to be prepared for changing work methods, all of which shall increase the business competitiveness and reduce the impact due to shortage of knowledgeable and capable employees.

Risk Management

The Company has built human resource readiness by developing employee competencies to accommodate the business environment, whereas employees shall have essential knowledge and skills in digital technology and business analysis. Details are as follows:

- selecting external individuals who have experiences and capabilities to strengthen business teams and exchange knowledge;
- fostering an innovation culture to encourage employees to create innovations for improving work processes or new inventions;

- developing employee potential and skills through classroom training and seminar, on the job training, online learning and visiting successful companies;
- selecting talented employees to participate in various projects in order to create opportunities for themselves and business developments;
- Jointly sharing experiences with executives or external speakers who have specific expertises; and
- collaborating with varied sectors to develop innovations related to the business and products.

2.2.5 Volatility of Financial Market

During 2020, the spread of the COVID-19 throughout the globe for longer than a year had infected more than 86 million people worldwide. The government sectors of many countries had to apply lockdown measures to prevent the spread of coronavirus, which at the same time had disrupted people's lives and economic activities of the countries around the world. As a result, the disruption of production activities caused severe drops in incomes and purchasing power. Moreover, the trade war between the United States and China is fraught with uncertainty, causing the global economic slowdown constantly. Many countries around the world gradually relaxed their monetary policies to sustain economic growth, for example, the Federal Reserve Bank cut interest rates two times and the Bank of Thailand cut interest rates three times. These factors resulted in fluctuation of Thai Baht exchange rates and Thai Baht appreciation against the US Dollar. Meanwhile, during March and July 2020, funding costs in financial markets had risen since it was the beginning of the COVID-19 outbreak that had caused investors to be more cautious. Once the COVID-19 restrictions had been eased, the interest rate then gradually dropped. However, the Company had considered the appropriateness of the management of exchange rates and interest rates since the majority of the Company's revenue was in foreign currencies, including revenue from sale of overseas businesses, revenue from export of goods of businesses in Thailand, as well as dividends from investment, etc. In addition to its revenue, the Company also had its expenditure in foreign currencies incurred from the purchasing of raw materials, import of supplies, machines and some parts of equipment, including expenditure for foreign investment while some parts of loans were in foreign currencies. Thus, the Company needed to manage its revenue and expenditure properly, including managing the cost of borrowing to reduce the above-mentioned impacts. In 2020, CPF and its subsidiaries in Thailand had the total value of export of goods, amounted to Baht 29,141 million or equal to 5% of the total sales revenue, and had the value of import of raw materials amounted to Baht 22,953 million or equal to 5% of the total cost of sale.

With regard to the management of interest burden, as of December 31, 2020, the Company had the net debt to equity ratio¹⁷ of 1.22 times; whereas in the total amount of debts, some parts thereof were incurred from the borrowing from financial institutions and issuing of financial instruments, all of which resulted in expenses in a form of an interest expense. It was predicted that the interest rates would continue to fluctuate according to the global economic conditions and the economy of Thailand. Therefore, the Company has to consider funding alternatives, compensation payout patterns or periods required for funding in order to manage interest expense at a proper level and in accordance with the Company's policy.

Risk Management

The Company has determined its policy on foreign exchange risk management with emphasis on non-profit making, including diversification of risks from the receipt of and expenditure in foreign currencies to multiple international currencies, as well as balances revenue and expenditure in foreign currencies (natural hedge). Regarding the management of interest rates, the Company would borrow money mostly with the fixed interest rates, which enable the Company to realize the expenses actually incurred. However, the Company also borrowed money with the floating interest rates. As of December 31, 2020, the Company's business loans with the floating interest rates, amounted Baht 60,057 million or equal to 14% of the total amount of loans. In case the interest rates increased by 1%, the Company would have additional burden of interest expense amounted to Baht 601 million. Moreover, the Company has also determined its policy on the net debt to equity ratio in accordance with the consolidated financial statements and has strictly complied with the said policy. The Company has placed emphasis on prudent decision-making, and therefore assigned the Accounting and Finance Department to monitor

¹⁷ Calculated according to the criteria specified in the Term, Conditions and Obligations of the Issuer and Debentureholders of CPF Debentures, No. 2/2556, and debentures issued thereafter, whereas net debt refers to all debts bearing interest which excludes liabilities under financial lease and subtracts cash, cash equivalents and current investments.

the interest rates and to collect and analyse data from reliable sources; provided that the Committee or authorized person shall be obliged to make decision on any alternatives; and such obligations have been clearly determined in the financial policies and procedures.

Although the Company has determined its management framework on financial volatility, in practice, the Company's management measures may not reduce the financial volatility to its acceptable level. Therefore, to manage volatility of exchange rates and interest rates, the Company may increase the use of financial derivatives, whereas the use of these financial instruments must be undertaken by the responsible person and approved by the authorized person only.

2.2.6 Legal Risks and Trade Barriers

The Company has placed high importance on legal practice; therefore, varied business units with specialisations have been assigned to study and analyse areas of law that are relevant to the business units, including communicating to employees accordingly to create understanding as well as to improve practices in accordance with the law and regulations determined by regulators. Occasionally, studying the law or communicating it to employees may be inaccurate, causing errors in the implementation which may affect the Company's reputation, including being fined or loss of business opportunities

Additionally, the Company has also experienced trade barriers in certain markets to which the Company has exported the goods. These trade barriers include tariff barriers and non-tariff barriers, for instance, a withdrawal of the Generalized System of Preferences (GSP) in European markets, a removal of some parts of the tariff preferences granted in the United States' markets, etc., as well as a determination of higher standards for imported goods and a prohibition on importing certain types of goods, etc. In the near future, we may face additional trade barrier in a form of sustainability regulation, resulting in an increase of the management cost throughout the supply chain and an impact on competitiveness.

Risk Management

Complying with the laws and the regulations of the regulatory bodies is considered a fundamental practice of the Company's employees. Moreover, the Company has developed a wide range of work systems to build confidence in business operations, with details as follows:

- preparing compliance data warehouse by collecting the laws and regulations, the Company's policies and regulations, key contracts and licenses, including standards certificates by which the Company's has been accredited;
- assessing risks may arise from non-compliance with the law and establishing a working group to improve internal processes in accordance with the law, setting an operational guidelines and following up on progresses by the Company's top management, for instance, the Personal Data Protection Act B.E. 2562 (2019);
- revising policies and procedures as well as work processes to be in alignment with the law, including monitoring operations by the supervised departments and the Internal Audit Office;
- coordinating with external expert consultants in order to have assistance on operational planning and to get in-depth insights; and
- monitoring and analysing situations that are likely to affect the Company's business operations in order to set up appropriate plans to accommodate potential impacts.

2.2.7 Corporate Image and Reputational Risks

Social media continues to grow with constant user growth rate. As any user can write messages, forward information, and give comments, other users are able to obtain such messages and information and further forward them or add incessant comments. Therefore, if any incorrect information about the Company appears on social media, it could be spreaded rapidly and affect the Company's image and reputation.

Risk Management

The Company is aiming to conduct sustainable business; therefore, we have placed emphasis on operating all business processes in accordance with the laws and the code of conduct, including communicating constantly to its stakeholders to ensure their acknowledgements on the Company's operational approaches. Details are as follows:

- designing and developing work processes in accordance with the law and suitable for current business operations;
- improving the internal communication systems to accommodate both of normal situations and unusual events;
- communicating the Company's guidelines on business operations continuously in order to create awareness and understanding;
- providing channels to receive stakeholders' opinions, complaints, suggestions and feedback on products and services, including operational guidance, as well as designing monitoring process and establishing responsible unit accordingly;
- conducting stakeholder expectation surveys and analysing stakeholder opinions and satisfactions continuously in order to use analysis results for planning and improving business operations;
- establishing the unit and process to monitor news and information on social media, notifying the relevant executives for acknowledgement, responding to the news and setting crisis communication plan; and
- determining Key Risk Indicators (KRIs) as well as incident management guidelines and following up on progresses continuously.

2.2.8 Risks from CPF Major Shareholders Holding Shares of More Than 25% of the Total Issued Shares

As of March 12, 2021, Charoen Pokphand Group Co., Ltd. and its subsidiaries held CPF shares for 46.49% of the total issued shares of CPF. Therefore, an agenda item required by law or regulation to receive votes for not less than three-fourths of the total number of votes of the shareholders who attend the meeting and have the rights to vote may not pass a resolution in case Charoen Pokphand Group Co., Ltd. and its subsidiaries choose not to vote for or against such proposed agenda item.

Risk Management

The Company and the Board of Directors are committed to treating all shareholders with equality and fairness and taking into account the benefits of the Company and shareholders in accordance with the good corporate governance policy promulgated by the Company. The Company also set a procedure and authorization levels for the various activities of the Company. If a resolution for any transaction is required from the shareholders' meeting, such agenda item shall be screened by the Company's top management before the Corporate Secretary assigned by the Chairman of the Board includes it in the agenda of the Board of Directors' meeting. Then, the Board shall consider and provide comments on such agenda item in order to propose to the shareholders' meeting for consideration of the resolution.

In the invitation letter to the shareholders' meeting, adequate and appropriate opinions of the Board of Directors will be given. Thus, acknowledging the opinions of the Board on the said item, the shareholders can use such opinions as a basis for further decision-making. According to this procedure, CPF believes that the major shareholders shall vote on each item of the agenda in the same direction as the opinions given by the Board. In addition, in the event that the Company has entered into a connected transaction which requires an approval from the shareholders' meeting, the stakeholders who are related persons in accordance with the regulator's relevant notifications shall not have the rights to vote on such agenda.

Nonetheless, there may be other risk factors that the Company does not currently acknowledge or are considered insignificant; therefore, to invest in the Company's securities, investors shall consider other risk factors additional.

3. Driving Business towards Sustainability

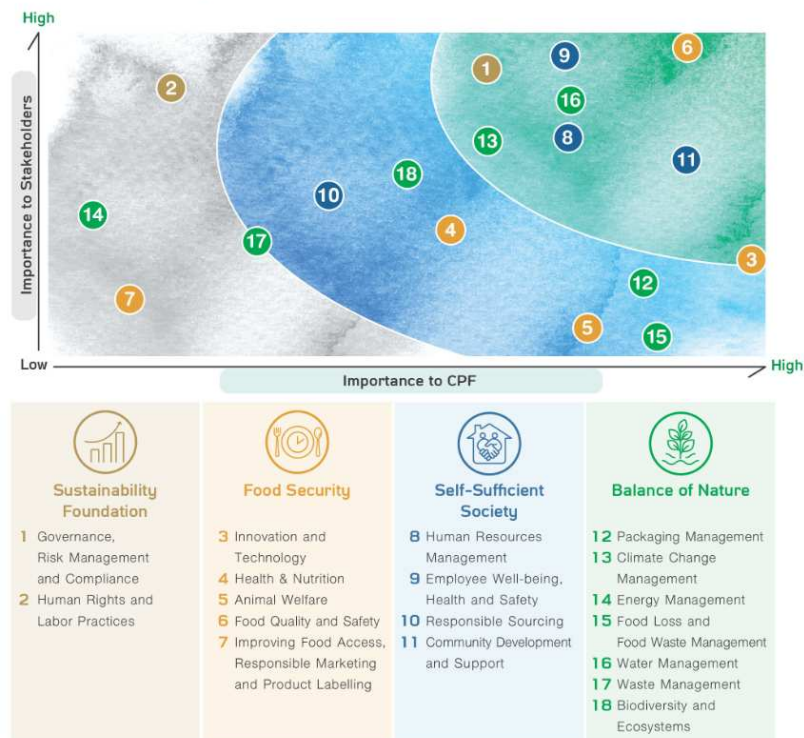
3.1 Sustainability Policy and Goal

The Company has envisaged the importance of sustainability governance and has determined CPF's sustainability strategy as one among its significant business goals. Under the three pillars comprising: "Food Security", "Self-Sufficient Society", and "Balance of Nature", all of which are based upon governance towards sustainability, respect for human rights and labour practices, the Company is aiming to deliver appropriate benefits to shareholders, healthy wellness to consumers, as well as security and happiness to our people, business partners and communities. At the same time, the Company also consider impacts of the operations and take appropriate steps to sustainably conserve natural resources and environment that are the capital of the current and future socio-economic development.



To ensure efficiency and effectiveness of sustainability management, the Company reviews and assesses the sustainability issues that cover significant opportunities and risks in economic, social and environmental dimensions on an annually basis. We have adhered to four key reporting principles of the Global Reporting Initiatives (GRI) consisting of sustainability context, materiality, completeness and stakeholder inclusiveness. In 2020, the Company summarized results of the assessment regarding issues on which the stakeholders had placed priority and the issues related to the Company's business operations that might have impacts on the economy, environment and society, with details as follows:

Materiality Assessment 2020



Integration of stakeholders and the Company's viewpoints and the expectations mentioned above helps enhance confidence in the Company's operations according to its sustainability strategy under the three pillars comprising: "Food Security", "Self-Sufficiency Society" which are regarded as the Company's scope of long-term striving towards sustainability. Thus, sustainability implementation and continuous review and improvement of management approaches have been carried out simultaneously to enable the Company on achieving goals that are in line with our stakeholder expectations as well as to accommodate the present and future challenges.

In addition, the Company has continued to implement its corporate social responsibility towards sustainability in accordance with the international principles of the UN Global Compact covering human rights, labour, environment and anti-corruption. Besides, the UN Sustainable Development Goals (SDGs) has been integrated to the Company's sustainability implementation under the three pillars comprising: "Food Security", "Self-Sufficiency Society". According to a collection of 17 SDGs, the Company has directly supported 13 of them in alignment with our capacity and potentiality in order to move forward to sustainable development by leaving no one behind.



Respect for Human Rights

Recognising the importance of respect for human rights, the Company has imposed the **Human Rights Policy** and the **Employment and Labour Management Policy** to be its management guidelines that align with criteria of the International Labour Organization (ILO), the UN Global Compact, and the UN Guiding Principles on Business and Human Rights (UNGPR). We have also declared our **Statement on Slavery and Human Trafficking** consistently to emphasise our standpoint in

opposition to forced labour and human trafficking in all forms. Such statement is in alignment with international human rights law and standard, for example, the UK Modern Slavery Act 2015. Moreover, according to our **Sustainable Sourcing Policy and Supplier Guiding Principle**, we have placed importance on human rights throughout our supply chain. For more information, please refer to the Sustainability Report 2020; Chapter: Sustainability Foundation.

Food Security

The world population is expected to rise to 9.7 billion in 2050^{/18}, resulting in 70% increase of global food demand or equivalent to meat consumption of 470 million tons^{/19}. The food industry must be well-prepared for producing sufficient food to meet the global food demand. Food innovation, thus, plays an important role as a tool in the food industry. In the meantime, raising animals according to animal welfare principles is another key factor that affects food quality and safety. These elements shall be applied to ensure that consumers are able to access to food and knowledge on sustainable consumption as well as to help relieve hunger and malnutrition in a wide society.

● **Food Innovation**

Due to constant changes in environment and consumer behavior, the Company has declared its commitment under **the CPF Healthier Choice Principles, the Health and Nutrition Policy and other related policies** to support consumers' healthy wellness. Moreover, the CPF Food Research and Development Center was established to create innovative solutions to meet consumer requirements. As innovations help increase business competitiveness, we therefore have focused on creating and improving our corporate culture to enable thinking and continued discovering new inventions. We have also encouraged the creation of innovations together with external stakeholders, whereas CPF Food Research and Development Center shall serve as the key center driving the food industry to adapt to change in the global food industry.

The Company has promoted and encouraged its employees on embracing changes and initiating innovations. Our employees have been developed to become innovators according to TRIZ²⁰ Guideline through training courses and projects that are in line with CPF Way. To become an innovative organization, the Company has also arranged innovation related training courses and the projects promoting new innovations in the organization. The innovations are divided into 3 levels (3i), namely, improvement (i1), invention (i2), and innovation (i3). Our employees will be given innovation creation scores (iScore) which lead to promotions of innovators according to TRIZ Guideline. The employees then will be trained and supported to implement activities in specific projects in order to create innovations.

● **Animal Welfare**

The Company has focused on developing and enhancing its animal-friendly business operations in accordance with the "Five Freedoms" principle, and cultivating personnel awareness on promoting animal welfare in farms belonging to the Company and to the farmers under its Contract Farming Scheme. The Company has imposed its **Animal Welfare Policy, CPF Global Vision for Antimicrobial Use Stewardship in Food Animals** and established the **Animal Welfare Committee** to drive **the Policy and long-term targets on Animal Welfare**. The Company has also prepared explicit manuals and standards on animal welfare implementation for all businesses in every country to ensure that animals shall be raised appropriately and ethically. In addition, there are research and development on animal feed innovations and effective and quality animal farming as well as assessments conducted by internal and external units, including engaging with business partners, government agencies, civil society organizations and related stakeholders to jointly raise awareness and develop guidelines for good animal welfare promotion.

^{/18} UN News, United Nations

^{/19} Global agriculture towards 2050, Agricultural Development Economics Division, FAO, 2009

^{/20} TRIZ refers to "Theory of Invention Problem Solving" which is a thinking management theory emphasising on an understanding in mechanism of problem, problem solving process and problem "analysis" by using various tools without being obstructed from natural basis of thought of human being. At present, this theory becomes widely interested. It had been developed by Genrich S. Altshuller

- **Access to Food and Knowledge on Sustainable Consumption**

The Company has placed importance on controlling the production processes strictly with quality and safety control standards that are in line with the international standards. The Company aims to ensure that the Company has delivered to consumers food quality and safety throughout its production process according to **CPF Quality Policy** and is able to trace back to sources of foods in the value chain as well as to achieve the target of no recall of product that may affect public health. The Company not only communicates with customer throughout multiple channels, but also listens to their feedback and handles their complaints. The Company has also been certified by independent agencies (third party) accordingly. In addition, recognising the importance of children, youth and consumer's accesses to adequate, suitable and sustainable foods, the Company has applied its bodies of knowledge and expertise to promote children and youth's accesses to knowledge and skills on food production and/or on consumption of safe and nutritious food.



For more information on Food Innovation, Animal Welfare and Food and Knowledge Accessibility for Sustainable Consumption, please refer to the Sustainability Report 2020; Chapter: Food Security.

Self-sufficient Society

Recognising that our role and participation in managing social issues internal and external to the business sector are crucial supportive factors in enhancing food security and environmental balance, therefore, the Company has placed emphasis on being a home of happiness for employees, growing together with business partners and caring for communities, all of which support farmer and community's decent standard of living and our preparedness for current and potential future challenges.

- **People**

According to the vision on human resource management as: "People Excel - Business Exceeds" coupled with respect of human rights and good labour practices, all of which are crucial foundations for caring of people, the Company has promoted value creation to its employees of all levels to ensure their readiness for adapting to changes in business operations according to today's global context, for example, digital transformation in working environment and supporting sustainable business operations, etc. Employee's reskill – upskill development has been implemented and results in making all employees feel valued. The Company shall look after our employees throughout their employment periods until their retirements. We also place importance on employee and worker occupational health and safety consistently and ensure their safety and hygiene at work so that in everyday, our people shall get home safely.

Human Resource Management

The Company places a high importance on employees who are deemed significant resource in driving the organization to achieve goals and sustain its business. The Company has therefore developed its human resource management on the basis of fair treatment and respect for human rights. To encourage all employees on their career progression, the Company focuses on creating a collaborative work environment which provides skills development through continuous learning and ethical culture. The Company adopts ethical human resources management practices which aims to develop our employees to become "CPF's talents" who adhere and conform to our corporate values of the "CPF Way". The Company has also simultaneously strengthened employee engagement and work safety that would create good work-life balance.

From Vision to Human Resource Management

To support the Company in achieving vision, missions and strategic goals as predetermined, the Company human resource management focused on being learning organisation and developing people capabilities. The Company has placed importance on every processes in human resource management including talent attraction, employee retention to drive high performance and retention, and employee development to strengthen their knowledge, abilities and expertise. The Company also encourages sustainable employee development by applying concept of up-skill, re-skill, and creating

new-skill in order to build our employees to be ready for business challenges. In addition, the Company has applied principles of interactive learning, whereas employees shall try to do actual works. Agile and other new concepts have been used to support employees on creating works professionally to drive the business toward global competitiveness, to be prepared for rapid transformation in digital era and to achieve sustainable growth.

Moreover, the Company places emphasis on technology adoption in human resource management. The results from this, the Company has a modern system in human resources management, reduce redundancy, respond to human resource services effectively, and be able to monitor performances on a daily basis. The Company also creates and develops ecosystem at organizational level to enable employees on working efficiently, to share knowledge and convey experiences.

Recruitment and Selection

The Company has carried out proactive recruitment continuously by selecting high potential people through public and private sector networks as well as building relationships with universities and alumni associations of Thai and International universities. The Company also implemented “Friend Referral Program” that the Company’s talents can engage with their friends, who are our potential candidates to join the company. Success rate of referral program is better than others recruitment channels. As a part of employer branding strategy, online social network channels development and business case competition arrangements has been initiated alongside the extension of management trainee program to bring promising talents into CPF family. Series of KM activities has been designed to equip new hires with knowledge and understanding in overall business as well as corporate cultural adaptabilities, including recruiting executives with broad experiences to support its business expansion.

Moreover, since the Company has emphasized on fair, transparent and standardized recruitment process, global recruiting tools, for instance, personality and ability tests, TOEIC and Assessment Center have been used to assess applicants’ qualifications in every aspect. Then, assessors shall summarize assessment results together. In addition to selecting employees, these tools are used for comprehensive employee development and career planning as well.

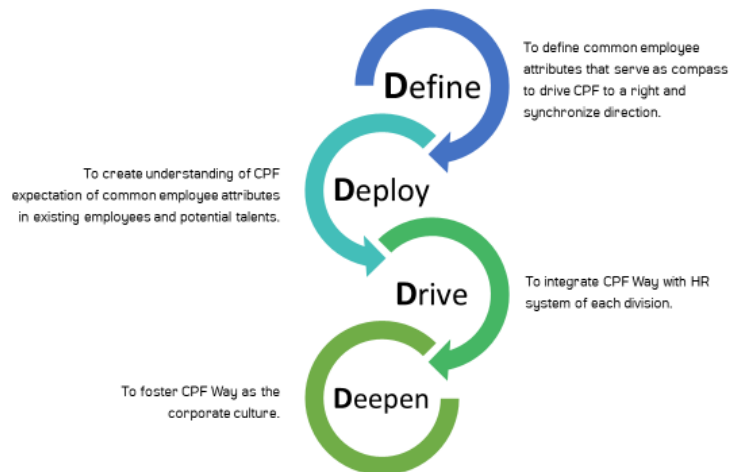
High-potential employees shall be comprehensively developed in business management and leadership according to their individual development plans (IDP). The Company has also set succession plans for key positions having impact on business operations by preparing succession management program to equip potential employees with knowledge and skills for critical positions in the future.

The Company has carried out personnel development in terms of professional skills in business lines through its Learning Center. In addition, in each country in which the Company has established business operations, the managements and employees’ leadership skills will be sharpened in order that local employees can be promoted to executive positions (localization) with essential knowledge and skills for global business management.

Building Strong Corporate Culture

Driven by the foundation of honesty, integrity and responsibility for society, the Company operates business through “CPF Way” core value. From high-ranking executives, to business management teams, to change agent teams and to all employees, the core value has been systematically fostered through the “Master 4D Guideline” process. This process help to instill the core values and allowing a clear measurement and evaluation resulting a successful creation of CPF Way DNA in all employees of all levels.

CPF Way Values or Master 4D Guideline of CPF Way



To build trust as well as to lay foundation of sustainable growth, the Company is committed to running the business in a fair, honest and transparent manner with responsibilities to the society and all stakeholder groups in accordance with the Corporate Governance Policy, Code of Conduct and international principles. The “CPF Code of Conduct” has been enhanced to ensure that its content and guidelines are in line with current situations. It is widely disseminated via various communication channels such as meetings of each business line, CPF website, CPF Connect, HR Web Portal, new employee orientations and e-learning system. Moreover, the executives are encouraged to serve as role models for all employees.

After signing the Declaration of Intention of the Private Sector Collective Action Coalition against Corruption, CPF has cooperated with the public sector, the private sector and regulatory bodies to establish standards for transparent business operations. Being officially accredited on August 18, 2017, CPF is currently in the process of applying for its 3-year basis recertification. Additionally, the Anti-corruption Policy was imposed in to ensure that all business unitss will apply such policy into its operational framework. The human resources unit is responsible for disseminating the Anti-corruption Policy to directors, executives and employees for acknowledgement on a regular basis, including promoting policy implementation throughout the corporate by following operational guidelines as:

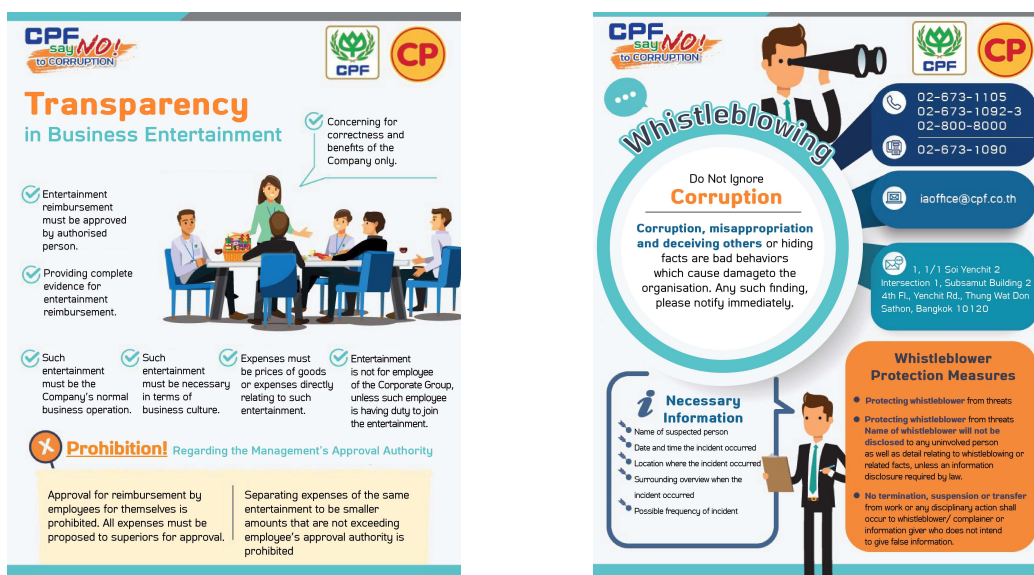


1. The Company's directors, executives and employees of all levels shall comply with the Anti-corruption Policy and the CPF Code of Conduct and shall not involve with any corruption-related actions, whether directly or indirectly, for the benefits of the Company, themselves, families, friends and acquaintances;
2. The Company's directors, executives and employees of all levels shall not omit or neglect any actions of possible corruption related to the Company and shall report such actions to their superiors or responsible persons as well as provide full cooperation in investigations. In case of having any questions or concerns, through prescribed channels, they shall consult their superiors or persons responsible for monitoring compliance with Employee Code of Conduct;
3. The Company shall provide justice and protection to employees who refused to participate in corrupt activities or reported corruption issues related to the Company in accordance with the Company's guidelines for protection of employees or whistleblowers (whistle blowing);
4. In addition to disciplinary action imposed by the Company, a corrupt person who violates the Company's Code of Conduct may also be punished according to the law, if such action is against the law;
5. The Company adheres to and places importance on dissemination and distribution of knowledge whilst creating a better understanding with parties having business transactions or interests with the Company to ensure full compliance with the Anti-corruption Policy. The Company also discloses information relating to such policy to general public;

6. The Company has internally communicated its Anti-corruption Policy and channels for whistleblowing, complaints and recommendations to create knowledge and understanding on the implementation of the Anti-corruption Policy through different methods and platforms such as employee orientations and intranet system, etc.

Throughout 2020, the Company had placed importance on communicating to employees of all levels regularly and continuously to ensure their understanding and awareness on proper conducts. Which help to avoid or lessen risks that might arise from any actions that are not comply with the regulations, for instance, accepting gifts, entertainment and guidelines on whistleblowing, etc.

Communicating Anti-corruption Policy Including Channels for Whistleblowing, Complaints and Recommendations



In 2020, the Company had also improved and revised its Anti-corruption training program to raise employee awareness and understanding as well as to ensure their proper conduct. Therefore, training materials for both online and offline learning were prepared for on-site training through instructional media, informative signage and booklet. All staffs of CPF and subsidiaries in Thailand already passed this training program. Moreover, the Company had extended the training to foreign countries such as India, Malaysia and Philippines. The program was translated into in local languages to enable employees in each country to learn, understand and apply knowledge correctly. The Company would also impose the policy with which employees shall comply in the following year.

Employee Motivation

- Providing fair employee compensation

The Company has the policy to offer remuneration packages and welfares that are competitive to leading industries in the labour market, to its employees. Basic for consideration of the employee compensation and benefits comprises short-term and long-term business performance, job descriptions, employee performances and economic indicators including cost of living. The Company has participated in employee compensation & benefits surveys on a yearly basis to ensure its competitiveness in the labour market as well.

- Performance management and career path

The Company has placed importance on the performance management. A system of target setting with key performance indicator (KPI) showing work targets in areas such as finance, customer, personnel and sustainability, etc. is applied annually with individual employee. Moreover, conformity to the corporate values (CPF Way) is properly put into use with employees of all levels in order to consider granting proper rewards to them. Consequently, high-performing employees who have conducted themselves in conformity with the corporate values and ethics will receive remunerations with significant differences when compared to employees who had poorer performances. As such, it motivates high-performing employees to maintain their performances and encourages them to be role models

in performance improvement for other employees. In addition, the Company also emphasizes on providing talented employees with career opportunities both within function and cross-function growth.

Human Resource Development

In an era of changes in environment and people's living behaviors due to digital disruption and economic crisis caused by COVID-19, digital technology plays a more active role in workplaces since it is more required as changes occur whether in business processes or customer services. The Company therefore gives importance to digital transformation by applying technology to support its business in order to keep up with rapidly changing world. This directly affects the Company's human resource development, whereas capability building must be accelerated to ensure that employees of all levels are equipped with necessary knowledge, skill and competencies, all of whom shall support uses of digital technology in work processes and enhance the Company's competitiveness.

In 2020, the Company had focused more on digital literacy competency and set up human resource development plan on the basis of leadership competencie. Approaches of human resource development were divided into 3 main groups as:

1. Developing human resource in accordance with CPF Core Values or CPF Way in 6 aspects including Three Benefits to Sustainability, Speed and Quality, Simplification, Adaptation to Change, Innovativeness and Integrity, Honesty and Reciprocity in order to reinforce employees' good leadership role models and foster exclusive values for being adhered and followed by all employees.
2. Developing human resource in accordance with leadership competency in 5 aspects namely Envision, Inspire Trust, Unleash Talent, Transform and Entrepreneurship, all of which shall build leadership skills to strengthen employees' potentials in leading the business to compete on the global stage as well as to achieve sustainable growth.
3. Developing human resource in accordance with leadership challenge in 4 aspects namely Drive Performance, Lead Change, Manage Risk and Reputation and Deliver Results, whereas these features of leadership are used as criteria for determining qualifications of future leaders and executives in key positions in order to drive works toward success.

In perspective of functional & technical competency, the Company has encouraged every unit to set learning & development plans with the aim of enhancing knowledge and skills that are necessary for each business line in order to achieve organisational goals. The Company also established Learning Centers domestically and internationally to accommodate and support the development of employee who are technical or expertise in their functions.

Course	Average hours of Training
Foundation of Corporate Governance Strategies	80,610
towards Sustainability	69,210
Basic Fire Fighting and Evacuation Fire Drill	58,773
Swine Farm Management	19,808
Food Production according to GMP/HACCP	10,464
Others	141,595
Total	380,460

In the matter of digital literacy development, the Company has prepared online digital fundamentals courses, for instance, Digital Etiquette, Innovation in Silicon Valley, and Introduction to Data Analytics for Business. The Company also promotes online learning via various tools such as e-Learning, CPF Connect Portal and Knowledge Management System. Moreover, the Company has provided online learning with diversified topics such as Product Knowledge and Sustainability in order to reinforce familiarity of digital learning for employees.

To build up the Company to be a learning organisation, the Company determines guidelines for human resource development by encouraging and supporting employees of all levels to place importance on and to be enthusiastic in learning and developing themselves (learning agility). Through annual performance management process, employees are required to prepare their individual development plans (IDP) while their managers shall take roles as coaches and provide feedback (coaching and feedback) to enable employees' self-developments that are consistent with their performance results. Managers shall also support their subordinates' learning and self developments so that they will be able to work towards goals as being expected by the corporate. Apart from classroom learning, the Company has offered a wider range of learning approaches in order that employees will be able to learn at anytime and anywhere. The learning

approaches include 1. self-learning which employees can learn via electronic media (e-Learning); 2. learning from others such as coaching and group sharing; and 3. experiential learning such as on-the-job-training and project assignment. Moreover, the Company has focused on action learning to ensure that employees who have been through development process will have knowledge, skills, attitudes and behaviours as expected and eventually generate better results for the business.

With regard to leadership development, the Company has prepared the programs namely: 1. Executive Development Program that emphasises on having the executives develop their knowledge on business and other essential learning such as digital literacy as well as encourages them to build up external networks; and 2. Talent Development, whereas the Company has encouraged new generation leaders and high-potential leaders to participate in various leadership development courses organised by C.P. Leadership Institute, including preparing CPF Talent Accelerator Program to create future leaders with high potential for the corporate.

To maintain the Company's standard as the corporate placing importance on human resource development and to able to provide advices on learning design and development, including providing training services, the Company has managed works systematically and operates in accordance with the international standard systems and rules and regulations for doing domestic and international businesses. The Company has been accredited with the quality standard system of ISO 9001:2015 by the United Registrar of Systems Ltd. (URS), under accredited bodies of the United Kingdom Accreditation Service (UKAS) of the United Kingdom, which provides accreditation for assessment agencies covering industrial sectors worldwide. This accreditation ensures that the Company's development of personnel potential is a good quality and responds to the goals and strategies of the Company.

The Company Corporate Compliance

The Company believes that managing and operating business in accordance with the rules related to the business shall result in sustainable growth and the Company shall gain shareholders and stakeholders' trusts and confidences accordingly. The Company therefore imposed the Corporate Compliance Policy to which directors, executives and employees of all level shall adhere. The policy is deemed performance principles under supervision of the Corporate Compliance Office which was set up to be the center undertaking supervision of policies, frameworks and procedures.

HR Assurance

The Company established HR Assurance Unit to follow up and ensure that the Company's human resource management processes have been implemented effectively and are able to support the business operations. HR Assurance Unit shall also create trust in human resource management processes, reduces internal human resource risks, and ensures compliance with human resource laws, standards and policies as well as requirements of customers in order to meet global standards and support the business growth.

Laws	To ensure that the human resource management processes are in accordance with the laws
Standards adhered by the Company	To ensure that the human resource management processes are in accordance with the United Nations Universal Declaration of Human Rights (UNDHR), United Nations Guiding Principles on Business and Human Rights and Regulations of International Labour Organization: ILO's Declaration on Fundamental Principles, including standards adhered by the Company such as the Sustainable Development Goals (SDGs) and UN Global Compact (UNGC).
Corporate Human Resource Policy	To ensure that the human resource management processes conform to the Corporate HR Policy
Customers' Code of Conduct	To ensure that the human resource management processes are in alignment with Customers' Code of Conduct

The Company announced its appointment of the Committee for Support and Promotion of Thai Labour Standard (TLS8001-2010). The Committee's roles and responsibilities consist of determining policies and action plans, supporting and promoting the application of Thai Labour Standard System to ensure that the Company's labour management system is functional and equivalent to the international labour standards, for example:

1. All the Company units shall not have overtime works exceeding the limits prescribed by law;
2. Export business and supply chain shall apply for accreditation under TLS8001-2010 and shall have weekly holidays in accordance with customers' requirements;
3. Aquatic business shall apply for accreditation under TLS8001-2010 for best aquaculture practices (BAP);
4. The Company has supported contract farms (poultry farms) on applying for accreditation under Good Labour Practices (GLP) since 2016 and has been verifying the farms up to the present accordingly.

In 2020, there were 194 factories and farms in different business lines that had been accredited under TLS 8001-2010 since 2015.

Respect for Human Rights

Recognising the importance of respect for human rights, the Company imposed its **Human Rights Policy** and **Employment and Labour Management Policy** as its management guidelines in accordance with requirements of the United Nations Universal Declaration of Human Rights (UNDHR), the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization: ILO's Declaration on Fundamental Principles and Rights at Work.

The Company believes that when employees appreciate values of their works and respect differences in others, such appreciations and respects shall lead to a creation of business added value and shared values for society. The Company therefore places emphasis on equal treatment and equality, including promoting knowledge and understanding of one's own right, duties and respect differences in others in accordance with the Company's policies related to human rights and labour practices, namely:

1. Human Rights Policy
2. Employment and Labour Management Policy
3. Foreign Worker Recruitment in Thailand Policy
4. Discrimination and Harassment Policy
5. Diversity and Inclusion Policy

The Company manages and treats its workers equally under the law and in alignment with international standards and human rights principles. Employments have been proceeded according to the law and with strict respect for human rights. All workers are treated equally and receive compensations and various welfares of no less than those stipulated by the law.

Management Guidelines

- **Policy and Commitment:** declaring commitment and good governance practices for the protection of human rights under the Company's policies related to human rights and labour practices, all of which express clarity against human rights violations and tangible labour practices.
- **Cultivation and Communication:** cultivating respect for human rights within the corporate through relevant policies as well as communicating policies to employees and business partners in order to reinforce human rights and labour practices.
- **Human Rights Risk Assessment:** accessing human rights impact regularly to identify and improve human rights issues and labour practices.
- **Receiving Complaints:** setting up channels to receive complaints or whistleblowing and taking issues into consideration to determine management options.
- **Monitoring and Reporting on Performance:** monitoring and reporting performance on human rights and labour practices to the public.
- **Developmental Review:** improving management plans to cope with impacts and to take effective corrective actions.

The Company has continued to operate its business ethically and responsibly, and emphasises on business transparency. Particularly, the employments and treatments of workers in workplaces of the Company and its supply chain business partners are legally and in line with the international standards, which enhance the Company and the business partners' competitiveness and enable sustainable growth mutually, including participating in social and environmental development simultaneously.

The Company has hired and managed workers responsibly under the human rights principles in accordance with requirements of the **International Labor Organization (ILO)**, the **United Nations Agreement (UN Global Compact)**, the **United Nations Guiding Principles on Business and Human Rights (UNGP)**, and the **Thai Labor Standards (TLS 8001)**.

The Company has formulated clear policies and labour practices which have been strictly and continuously implemented. The Company has also complied with the law concerning a minimum age of employment by not allowing child labour to do hazardous works that may affect their health, development, and compulsory education. In addition, the Company does not support all forms of forced labour and charging or retaining workers' identity documents. The Company respects workers' differences and treat them equally without unfairly benefiting or depriving labour rights due to races, nationalities, ethnicities, skin colours, family origins, religions, social statuses, genders, age, disability or infirmity, political thoughts, as well as marital statuses. The Company has also prevented and solved problems related to sexual harassment.

Regarding wage management, the Company pays wages and compensations including overtime pay and benefit in various forms, all of which are paid on time according to the labour law. The Company shall not deduct wage unless it is not contrary to the law. Regular working hours are determined to be not exceeding legal limits and overtime hours are in accordance with the law. The Company also continues to promote, support, maintain and improve work environment to ensure workplace safety as well as prevent adverse effects on health of workers and related persons. In addition, the Company focuses on environmental maintenance and protection while reducing impacts arising from the Company and related parties' activities by being compliance with the law.

The Company places importance on hiring workers legally in all dimensions while encouraging business partners to comply with laws and international labour standards that are in line with the Company's policies, resulting in an integration of operational linkages for driving businesses towards common goals. The Company also hires foreign workers under Memoranda of Understanding (MoUs) on Hiring Foreign Workers between the Thai government and neighboring countries. Such hiring of foreign workers is made through legal and certified labour recruitment agencies at the countries of origin to ensure that the processes and costs of worker recruitment are accurate and transparent. Whether foreigners or Thai, all workers are treated equally.

The Company has envisaged the value and benefits of utilising different ideas, skills and experiences of human resources as major forces in business extension and propelling, creation of innovation and having excellent operational performances. Therefore, the Company has prescribed policies or practices which promote the diversity within the corporate such as Diversity and Inclusion Policy, Employment and Labour Management Policy, and Discrimination and Harassment Policy in order to prevent and protect employees of all levels from being discriminated due to races, nationalities, ethnicities, skin colours, family origins, religions, social statuses, genders, age, disability or infirmity, political thoughts, as well as marital statuses, and to prevent from different patterns of harassment and threats, thus, for the benefits of business operation and employees, with the policy-based promotional guidelines, as follows:

- Leaders must be open to others' opinions;
- Employees are encouraged to express their creative ideas;
- Enhancement of working atmospheres and mutual respects for co-existence on the basis of difference,
- Non-discrimination and equal opportunities, appropriate admiration of employees.

In 2017, in cooperation with **Labour Promotion Network (LPN)**, CPF signed the Memorandum of Understanding on procedure development for receiving complaints from employees in accordance with labour practices and creating a positive work environment through "**Labour Voices Hotlines by LPN**". As a result, all employees of the Company have had a channel to give opinions and recommendations as well as to share complaints and request for information and supports, all of which are made to LPN Foundation. As a neutral organisation, LPN Foundation undertakes transparent complaint handling and collaborates with the Company to enhance worker well-being. Public relations including posters and leaflets in 4 languages namely Thai, English, Cambodian and Burmese are implemented to inform employees about the channel of complaints. By calling Labour Voices Hotline by LPN in Burmese, Cambodian and Thai, all employees can make complaints via 2 lines in each language.

Moreover, trainings on Human Rights, Thai Labour Law, Workplace Health and Safety are organised for workers as well. These trainings enable Thai and foreign workers to acknowledge their rights in accordance with labour protection laws and international standards.

From the collaboration over the past three years, the 3-hour trainings for 60 classes were organised for more than 2,500 workers at the Company's establishments in many areas across the country. Among them, there are foreign workers for 75%. Pre- and post-test scores before and after trainings show that the awareness on workers' rights have increased. In the first year of the collaboration activities, the average score increased from 48 points before training to 89 points after trainings. In the second year, the average score increased from 44 points before training to 88 points after training. In the last year, the average score increased from 67 points before training to 98 points after trainings.

In addition, the Company has also supported activities or facilitated foreign workers in the issue of language barrier such as posting up of notices on communication boards in languages being understood by workers of all nationalities and providing interpreters for foreign workers in workplaces.

Another channel of communication that the Company has always supported and promoted is **the Welfare Committee of the Workplace** which gives all employees opportunities to participate in expressing opinions, suggestions and complaints through their elected representatives. The Company encourages and motivates employees of all levels, both Thai and foreigners, who are interested in being representatives and stand for election to represent employees in the Welfare Committee.

The Company increases the number of committee members from the minimum required by law to be suitable for the number of employees of each workplace. The maximum number of representatives is 17. If the election results do not cover **diverse and vulnerable groups in terms of gender, race, religion and disability**, the Company shall make a comprehensive selection of a subcommittee to represent workers in such groups. The subcommittee is responsible for presenting problems and suggestions to the Welfare Committee prior to the meeting with the executives who represent the Company.

In the meantime, the Company has implemented policies regarding sanitation, safety and work environment. With responsibility and attention, the Company also provides personal protection equipment (PPE) in accordance with the law so that all employees and contractors can work safely and happily. The trainings are organised to raise employee awareness on safety, for instance, New Employee Orientation on Occupational Health, Safety and Environment; Creation of Culture on Occupational Health, Safety, Environment and Energy for employees at supervisory, operational and executive levels, 5 Basic Workplace Hazards and Accidents, etc.

Throughout our business operations as a leader in integrated agro-industrial and food business, the Company has dedicated and tried its best in promoting human rights in various forms, which is not limited only to the production and promotion of access to nutritious foods, fair and equitable employment, improvement of supply chain efficiency and participation in developing quality of life for surrounding communities.

Moreover, recognising the importance and management of human rights risks which are considered significant factors to the Company's business success, the Company has initiated **Human Rights Due Diligence Process** since 2016. The process includes a 3-year audit on human rights risk analysis and assessment, risk management, continued monitoring and reporting on performance, all of which cover every business line in Thailand operations.

In 2019, the Company reviewed and conducted a comprehensive human rights assessment process in accordance with the action plan and determined period of time. Regarding salient human rights issues which are once identified, the Company shall consider on effectiveness of existing mitigation measures and develop additional measures to reduce possibility of violence or severity, including impacts of such human rights risks that may affect stakeholders.

Promoting Employee Engagement at Work

Engagement and commitment from employees played a significant role in the success of becoming a global company. Since the beginnings of employments, employees have been fostered through the Company's on-boarding process which enables them to adapt to new co-workers, work environment, and the culture of CPF Way that encourage them to be both good and

talented employees. The care continues, human resource development process and compensations, are designed to broaden employees' work experiences and support all to have a happy working lives throughout entire work cycle.

Enhancing Workplace Safety and Happiness

The Company has placed great importance on providing safe working environment to its employees at all workplaces and has aimed to reduce work-related accidents to achieve zero accidents. The Company is therefore dedicated to disseminating knowledge and creating essential understandings on occupational health and safety to employees at all levels. The Company announced its Safety Health Environment and Energy Vision, Mission, and Policy, all of which are to be applied as the operating guidelines throughout the corporate. In addition, the Company has organised training courses on these matters for employees, which include New Employee Orientation on Occupational Health, Safety and Environment; Creation of Culture on Occupational Health, Safety, Environment and Energy for employees at supervisory, operational and managerial levels, and 5 Basic Workplace Hazards and Accidents, etc.

● **Partners**

To establish sustainable organisational development and growth under the vision of being "Kitchen of the World", the Company recognises the importance of security foundation management in responsible procurement throughout the supply chain and creation of sustainable growths covering all operational processes of the Company and business partners. From 2015 onwards, the Company has been sharing its guidance for responsible business conduct through communication and trainings relating to **the Sustainable Sourcing Policy and Supplier Guiding Principle** and has extended the Policy to the business partners in foreign countries, including combining Environment, Social, and Governance: Supplier Sustainability Self-Assessment as a part of business partner's sustainability initial assessment in accordance with **CPF Supply Chain ESG Management Approach**.

The Company plans to develop sustainable business partners through site visits, and assessments, including organising the event entitled "Capacity Building for Partnership" and the meeting under the topic of "Supply Chain Sustainability Focus Group" between critical business partners and the Company's representatives on a yearly basis in order to communicate and discuss management issues under the Sustainable Sourcing Policy. Moreover, the Company signed a Memorandum of Understanding (MOU) with the Department of Labour Protection and Welfare, Ministry of Labour, in order to implement activities under "the Partnership Development Project towards Thai Labour Standards", which included providing knowledge relating to labour management and good practices as well as encouraging entrepreneurs in the supply chain to conduct labour practices with responsibility and in conformity with the law, enhancing workers' quality of life and complying with the Company's policies.

● **Communities**

The Company realizes that career and income stabilities have taken parts in strengthening decent livelihoods of communities, economic stability of the country and food security. Therefore, the Company has placed importance on continuous promoting careers that are conducive to creating consistent incomes for farmers and small entrepreneurs, by implementing the **"4Cs to Sustainability: Competency + Creation + Collaboration + (Connection)"** strategy. The Company has used its capabilities as a tool to create social positive impacts and mitigate negative impacts, to share and develop **concepts** or innovations in business operations on a responsible basis, to promote **engagement** between the Company, employees and stakeholders, as well as to collaborate with **networks** for long-term operational efficiency and effectiveness. In promoting the quality of life of the communities surrounding, the Company shall conduct field works to survey characteristics and needs of the communities in order to create their engagement and identify issues relating to community impacts, prior to initiating and implementing projects / activities that are truly consistent with the communities' lifestyles and needs. In addition, the Company has jointly supported the vulnerable groups including elderly and disabled who live around the Company's establishments, in order to ensure their sustainable incomes and sustenance.

For more information on People, Partners and Communities; please refer to the Sustainability Report 2020; Chapter: Self-Sufficient Society.

Balance of Nature

The Company has recognised that agro-industry and food business must take into account environmental impacts. Therefore, the Company has placed importance on determining its **vision, missions and policies on safety, occupational health, environment and energy (SHE&En)** in order to apply them as management frameworks in all countries in which the Company has invested. The Company has focused on carrying out activities that are environmental and social-friendly by using resources worthily and most efficiently, applying innovation and technologies to mitigate the environmental impacts, and protecting and promoting safety of employees and stakeholders. Moreover, the Company has cooperated with contractors, suppliers and major business partners for SHE&En development throughout the supply chain, including conducting businesses in conformity with the laws, regulations and stakeholder agreements.

The Company has developed **Safety, Occupational Health, Environment and Energy Standard** or “CPF SHE&En Standard” as a key mechanism for effective management and development of environmental quality. The CPF SHE&En Standard has been verified and certified by Lloyd's Register International (Thailand) Ltd. which is the institute having knowledge, expertise and experience in standard verification and certification, while providing services to many leading companies to ensure that the standards are in conformity with requirements of relevant international standards including ISO14001:2015 or environmental management systems, ISO45001:2018 or occupational health and safety management systems, and ISO50001:2018 or energy management systems. All of these standards applications and certifications shall increase stakeholders' confidence levels on the Company's safety, occupational health, environment and energy management. The standards encompass principles as follows:

1. Environmental impacts occupational health and safety assessments which encompass impacts on water use, volume of greenhouse gas emissions and amount of energy use;
2. Determination of measures controlling processes that may cause impacts on the environment and danger to operators, and the implementations of those measures;
3. Provision of operational results tracking system and law compliance; and
4. Development of management procedures on complaints and conflicts regarding SHE&En crisis, all of which are received from both internal and external stakeholders, to prevent and solve problems transparently and effectively as well as to enable continuous improvement.

In addition, the Company has organised **trainings for employees** to ensure their knowledge, understanding and awareness on SHE&En implementations, which may lead to the corporate compliance with the SHE&En Policy and Standard. The Company has also determined that all business units in Thailand shall be annually **assessed through audit and certification processes on standard implementations** conducted by the third party audit. The results on CPF SHE&En Standard implementations are consistently and continuously reported to the **CPF SHE&En Management Committee** or **CPF SHE&En MC** meetings for proper and immediate improvement and management.

To measure progresses and effectiveness on the management of safety, occupational health, environment and energy that are conducted by various departments under the supervision of the Company, CPF SHE&En key performance indicators or SHE&En KPIs had been set up, as well as a development of data collection in conformity with Global Reporting Initiative Standard or GRI Standard. All departments shall submit data reporting through a computer system on a monthly basis, so that the executives in the departmental levels and the business lines, including the Company as a whole will be able to track data and use it for managing the businesses in accordance with the Company's policies and goals.

Limited natural resources, impacts from climate change, environmental pollutants, plastic wastes in the oceans, and the increasingly rapid decline in biodiversity, all of which pose considerable direct and indirect impacts to people's quality of life, food security, and business continuity. For the reasons stated, the Company is committed to operating its business on the basis of mitigating environmental impacts, and promoting the conservation of natural resources throughout the value chain. In accordance with our goals of “Developing Sustainable Packaging”, “Reducing Environmental Footprints”, and “Protecting Biodiversity,” we strive to create balanced development that will lead to a sustainable future.

● Sustainable Packaging

The Company has recognised the importance of food packaging as it is a final step in maintaining product quality and safety before delivering the products to consumers' hands. In the meantime, managing packaging waste derived after consumption, especially plastic packaging that has become a global problem is an issue the Company has concerned. Therefore, we are committed to taking part in solving problems relating to plastic waste and optimising resources by determining the **Sustainable Packaging Goal, Policy and Principle** based upon a **circular economy** throughout the value chain.



The Company, raw material manufacturers and packaging manufacturers have jointly designed packaging according to food packaging design and development strategy, as follows:

- taking into account food quality and safety by inventing packaging that contributes mainly to food quality and safety;
- switching to use alternatives of plastic by studying and developing substitutes for plastic or plastic produced from alternative resources for food packing; and
- selecting materials conducive to recycling by developing packaging that can be recycled in case of being unable to find alternative materials that can maintain food quality and safety equivalent to plastic packaging.

Moreover, the Company has continuously focused on developing packaging to mitigate environment impacts throughout the value chain. Since 2013, we have replaced plastic feed bags with bulk feed tanks in our livestock feed business. Since 2006, we have replaced plastic bags with Q-pass tanks that can be sterilized and reusable for transporting shrimp larvae. In our integrated broiler businesses, plastic bags have been replaced with stainless steel trays to transfer products within the production processes. The Company has also reduced uses of single use plastic products, for example, designing drinking cups to reduce uses of plastic straws in Star Coffee shops and switching to provide food and beverage paper containers instead of plastic containers when buying food items to bring back home from Five Star shops and Chester restaurants.

● Environmental Impact

Realising the trend of change and the importance of natural resources which are significant capital for driving socio-economic development, the Company, therefore, has never stopped improving and further developing its production processes. The Company has integrated the circular economy with its operations throughout the value chain in accordance with its **Safety, Health, Environment and Energy Policy** in order to optimise resources and mitigate environmental impact continuously.

The Company has placed great importance on effective use of energy throughout its integrated production process by setting a target to reduce energy consumption per unit of production by 15% in 2025 compared to the base year of 2015. Such target is distributed to all business lines and units respectively in order to determine and ensure consistent projects and activities such as enhancing energy efficiency. Moreover, the Company has improved tools, machines and equipment, particularly in the large-scale air-conditioning system and in the cooling system which are significant sources of electric energy consumption. The Company has also used renewable energy to mitigate the environmental impacts, for instance, using solar energy for electricity generation which helped reduce an expense in purchasing electricity from outside source for 17.3 megawatts in 2020 as well as decreased greenhouse gas emissions.

Moreover, to drive the energy management in conformity with the laws and related standards, especially in the units using large amounts of energy, the Company has established an audit group to evaluate the energy efficiency management conducted by various units within the Company, and to transfer knowledge and experiences between experts and unit operators in order that they can apply knowledge and understanding to further improve energy efficiency.

The Company has been using renewable energy throughout the production processes. Our animal feed business has used biomass as alternative fuels for operating steam boilers instead of using coal. Biogas derived from treatment of

wastewater and animal droppings from pig farms and chicken complexes are used for generating electricity to be consumed within such farms and complexes. Moreover, Solar PV panels have been installed on rooftops to generate electricity for being used in the production processes as well. Shrimp farms and food manufacturers have applied ultra-filtration technology for treating wastewater in order to reuse water appropriately. Additionally, through “Sharing Bio-Fertilizer WaterProject”, treated water derived from biogas production systems in pig farming business is also distributed to the communities around the pig farms for being used as fertiliser, reducing agricultural costs and providing drought relief for local people, including reinforcing sustainable community relationships. Furthermore, the Company has utilised recycled waste, for example, making fertiliser, soil improvement materials and animal feed from waste and turning waste into energy, etc.

Comprehending our responsibilities on food products, the Company has conducted an ongoing development of green products which are sustainable products in Thailand business, to deliver values through eco-friendly products and take part in accelerating growth of green market. Over 790 green product items of the product groups including livestock feed, raw chicken, tender chicken breast, raw duck and frozen duck received carbon footprint labels, global warming reduction labels, and water footprint labels. Moreover, the Company is Thailand’s first company being certified global warming reduction labels on duck products.

- **Biodiversity**

Conducting business by taking into account the environment and biodiversity is considered an integral part in preserving ecosystems to remain balanced and remain sustainable. Thus, the Company has placed emphasis on its business establishments that shall not be located in natural resources and environmental conservation areas in conformity with promulgated rules, regulations, standards and ministerial regulations. The Company also conducts assessment on potential impacts caused by its business operations regularly.

The Company shall not support supplier of agricultural raw material produced on land without legal title deed and supplier of fish meal produced from species potentially become extinct. The Company shall procure only major agricultural raw materials that can be traced back to their sources to ensure sustainability of natural resources. We have targeted to source 5 key agricultural raw materials used for producing animal feed products, namely, fish meal, corn, soybean meal, palm oil, and cassava from responsible or sustainable production sources within 2020. From 2015 up to the present, all fish meal sourced and used in Thailand is a by-product derived from processing plants. These plants have been certified MarineTrust standard which currently are the best international standards for sustainable fish meal and fish oil productions. All fish meal is traceable and is not a by-product derived from species threatened with extinction as defined in the IUCN Red List of Threatened Species™ (World Conservation Union).

In the meantime, all corn used in animal feed production in Thailand has been sourced by Corn Traceability system being developed by the Company in 2016. The system can trace back to each plot of corn plantation area to ensure that 100% of corns are grown on land with legal title deed and none of forest area is invaded. The Company has also continued to source soybean meal, palm oil and cassava that are traceable and produced from responsible production sources.

The Company has promoted planting knowledge and skills in accordance with Thai Agricultural Standard–TAS 4402-2010 (Good Agricultural Practices for Maize). The knowledge including soil analysis, using appropriate fertiliser and using chemicals properly has been given to farmers participating in the Self-reliant Farmers and Sustainable Maize Project since 2015.

In addition, we have conducted CPF Grow-Share-Protect Mangrove Forestation Project since 2014. Our efforts dedicated to conserve and restore mangrove forests in 5 provinces in Thailand contribute to healthy and productive ecosystems while the mangrove forests have become nursery habitats of baby aquatic animals. The communities surrounding therefore can extract benefits from natural resources that have been restored. The Paknam Prasae Community in Rayong Province and the Bang Ya Praek Community in Samut Sakhon Province have further developed the areas into community-based ecotourism.

Since 2019 up to the present, the Company has also implemented the CPF Rak Ni-Ves, Pasak Watershed, Khao Phraya Doen Tong Project at Lopburi Province and is able to turn arid area into a green forest with abundant plant species that help return moisture to the atmosphere. A survey and monitoring on vertebrate population by using camera trap had been conducted at Khao Phraya Doen Tong where foxes, a protected wildlife species, were found in restored area. Moreover, pine buntings were also found in the area of Khao Phraya Doen Tong Project for the first time in Thailand and Southeast Asia. Additionally, to create continuity in sustainable maintenance of forest and natural resources, the Company has initiated "the Creation of Happiness for Khao Phraya Doen Tong Community" which is the project that helps create community engagement in mutual conserving and sustaining the living forest and the community members. To cultivate forest conservation awareness and to pass it to descendants, villagers living locally around the Pa Sak watershed area of Phatthana Nikhom District were given opportunities to learn about reforestation innovations. Moreover, the Company has also promoted organic community vegetable gardening for community consumption to ensure community members' good health as well.

For more information on Sustainable Packaging, Environmental Impact and Biodiversity; please refer to the Sustainability Report 2020; Chapter: Balance of Nature.

With continued commitment in operating businesses in accordance with its sustainability strategies, the Company has set plans to manage a wide range of issues, to adapt to the current situation, and to be ready for embracing future changes, all of which comprise human resource development, food innovations that create added value for the products and meet consumer requirements, climate change, management of water as well as food loss and waste under the **Circular Economy** concept, in order to drive the Company's businesses towards stability and sustainability.

- **Climate Change**

The Company is committed to mitigating climate change impacts throughout the value chain, the Company therefore set a target to reduce greenhouse gas emissions per unit of production by 25% in 2025 compared to 2015. To achieve such target, the Company has implemented a project to promote renewable energy uses. In 2019, the Company transformed layer chicken farming methods into a complex in order to improve management efficiencies in its Thailand businesses. In each cycle of chicken husbandry, chicken manures from farms in the complex are gathered and used for producing biogas instead of being piled up in the provided areas for disposal outside the farms, which caused problems of odours and pollution in the environment both within and outside the farms. Biogas produced is utilised as fuel for generating electricity to be used within the farms. In addition, chicken manures after the biogas production were used for producing fertiliser. These activities are regarded as prototypes of energy self-reliance of animal husbandry business.

The Company has also increased a proportion of renewable energy use by conducting various activities, for example, the implementation of CPF Solar Rooftop Project which upon its completion by the end of 2020, the greenhouse gas emissions would be reduced by 12,000 tons, and the implementation of "CPF Coal Free by the Year 2022" with the aim of reducing the greenhouse gas emissions by quitting coal in every unit. In 2020, a modification of boilers at Bangna Feedmill was completed, resulting in the reduction of greenhouse gas emissions by 13,000 tons.

- **Water Management**

The Company has placed high importance on using water resources wisely and reducing impacts on environment, stakeholders and business operations. Thus, the Company has determined guidelines for water risk management. Aqueduct 3.0 developed by the World Resources Institute (WRI) has been used as a tool to assess water risks of its business units in Thailand. Moreover, the Company has provided a system for collecting water consumption data of every business unit in order to analyse and set plans on using water continuously and properly for all types of activities. The Company has also set a target to reduce volume of water used per unit of output by 30% within 2025 compared to the base year of 2015, including applying modern technologies to support throughout the production processes to reduce water consumption or optimise water use efficiency.

The Company has used a circulating water system for conducting aquaculture as well as provided efficient wastewater treatment system with sufficient capacity to ensure that treated water quality is in accordance with the law before releasing it to public water resource.

For the pig farms using large quantity of water, the Company has provided the wastewater treatment system which is proper to the weather condition such as anaerobic wastewater treatment system to be used in the farms located in tropical topographic condition. In addition to efficient wastewater treatment, the system also supports the production of biogas which can be used as fuel for electricity generation in the farms instead of purchasing electricity from power producers. Moreover, treated wastewater after biogas production that meets the requirements of the laws can be used to reduce effects of water scarcity in surrounding communities, whereas liquid organic fertilisers are given to the communities for agricultural purposes such as growing corn or cane, etc.

- **Waste Management**

Most of wastes from the production processes are organic substances which could be used for other purposes directly and indirectly, for instance, being used as animal feeds and for production of fertilisers and soil quality improvement materials, etc. The Company has set a target of reducing quantity of waste that must be disposed of by landfill and burning per tonne of production by 35% in 2025 compared to 2015. To achieve such target, the Company has applied the 4Rs waste management principles to activities in all business lines, for example, reducing wastes at sources in order to decrease the quantity of wastes generated, particularly plastic wastes, by adjusting purchase method to purchase chemicals in recycled packages or larger packages. In its businesses in Thailand, Vietnam, Laos, Cambodia, the Company has reduced uses of plastic bags in animal feed production factories by packing goods in big bags and in silos. Moreover, the Company has promoted reuse of waste, whereas plastic containers in its instant meal production factories in Thailand, USA and Belgium are reused. Sewage sludge from the wastewater treatment system, which was formerly disposed of by means of landfill, is also recycled for being used as compost. The recycling of wastes not only mitigates the environmental impacts from the landfills, but also reduces expense of waste disposal. The Company has also transferred cooking oil left from food frying processes in its domestic and overseas food production factories to biodiesel producers for being used as precursor, etc. In 2020, the Company was able to reduce wastes to be disposed of by landfill and burning for over than 40% compared to the base year.

- **Management of Air Pollution**

Realising the impacts of air pollution including dust, odour or greenhouse gas, the Company has determined its management measures on upstream impacts. In the animal feed business establishments, dust filters and odour eliminators are installed to prevent emissions of dust and odour in the production process from the production sites, and ozone system or wet scrubber system are used to eliminate odours from vapor stacks of animal feed drying machines. In 2020, according to measurement results on values of airborne contaminants of all business units, they were within limits prescribed by the law.

The Company has managed odours in livestock facilities by selecting locations off community areas and densely populated animal husbandry areas as well as using evaporative cooling system. Meanwhile, in its poultry husbandry business, the Company has also used rice husks on top of the ground of animal husbandry buildings, which would be advantageous to the growth of animals and also help eliminate odours. In addition, the Company has the policy to grow trees in between animal husbandry buildings and other buildings in the farms to help absorb carbon dioxide and maximise uses of areas.

Remark: The sustainability performance 2020 is disclosed in the Sustainability Report 2020.

4. Management Discussion and Analysis

4.1 Performance

The following financial performance analysis is the analysis of financial information in accordance with the Company's consolidated financial statements of the year ended December 31, 2020.

4.1.1 Adoption of financial reporting standards and special items

On January 1, 2020, the Company adopted the newly issued and revised financial reporting standards with significant impacts including:

Thai Financial Reporting Standard - Group Financial Instruments

The requirements on recognitions of financial assets, financial liabilities, value measurements, impairment and write-off, including accounting principles regarding derivatives and hedge accounting.

The impact on the adoption of this standard in 2020

- Recognised more allowance for doubtful accounts according to the requirement for adopting a method for assessing impairment by taking into consideration changes in economic factors and probability into consideration. As a result, the assets and shareholders' equity decreased and an increased allowance for doubtful accounts for the year 2020 was reported in the income statement.
- Recognised measurements by fair value of long-term investments, general investments, available-for-sale securities and derivatives. As a result, the assets, liabilities and shareholders' equity increased.

Thai Financial Reporting Standard 16 - Leases

A lessee is required to recognise right-of-use asset and lease liability as of the date the lease starts to take effect for all leases, except short-term lease and lease for which the underlying asset is of low value.

The impact on the adoption of this standard in 2020:

- Recognised all lease liabilities previously classified as operating leases by measuring a value of lease liabilities.
- Recognised right-of-use assets for all leases previously classified as operating leases.
- Recognised depreciation of right-of-use assets and interest expenses on lease liabilities instead of rent as previously classified as operating leases, resulting in rent decreased, while depreciation, amortisation and financing costs of lease liabilities increased.

The Company has adopted Thai financial reporting standards 9 and 16, recognises cumulative effects and does not retroactively adjust comparative data.

4.1.2 Significant investments during the accounting period

- The acquisition of shares in Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM")

On July 31, 2020, CPF Investment Limited ("CPFI"), a wholly-owned subsidiary of the Company acquired all remaining ordinary shares of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM"), a fully integrated poultry businesses, including feed manufacturing, poultry farming and food processing plant in Malaysia. The Company previously held 49.75% of CPHM shares, increased to 100% with an investment value of MYR 177 million or equivalent to approximately Baht 1,281 million.

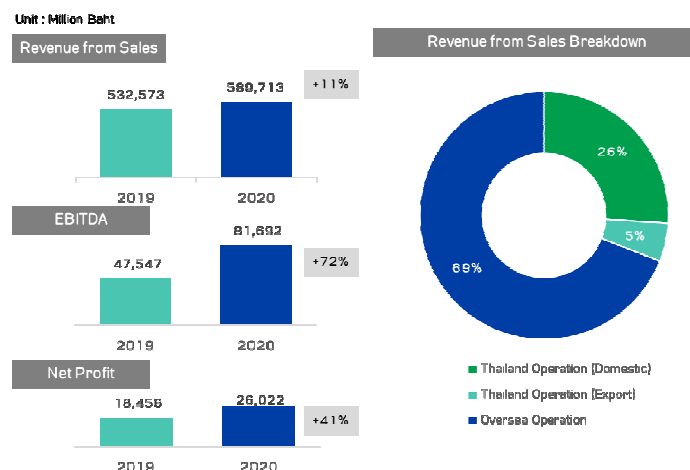
- Investment in swine business in China

On October 27, 2020, the Company's shareholder meeting approved Chia Tai Investment Co., Ltd. ("CTI"), an indirect subsidiary of the Company, to invest in swine business in China and issued new shares representing 65% of its enlarged share capital to the seller as the consideration. After completion of this transaction, since December 1, 2020, CTI has changed its status from a subsidiary to an associate in which the Company indirectly holds 18.28% shares. The Company recognised a special gain from revaluation of Baht 3,909 million (more information can be found in Notes to the financial statements No. 6 (b)).

- **Investments in Tesco Stores (Thailand) Co., Ltd. and Tesco Stores (Malaysia) Sdn.Bhd.**

On March 9, 2020, the Board of Directors approved C.P. Merchandising Co., Ltd. ("CPM"), a wholly owned subsidiary of the Company, invested indirectly through a special purpose entity with a 20% stake in "Tesco Asia Group" comprising Tesco Store (Thailand) Co., Ltd. and Tesco Stores (Malaysia) Sdn.Bhd., which operate retail business under Tesco Lotus in Thailand and Tesco in Malaysia, with an investment of Baht 40,973 million. The investment in such transaction derived from cash from operations and issuance of debentures that the Company had made in the past year. The investment in Tesco Asia Group has been completed and began to recognise the Company's profit/loss since December 18, 2020.

4.1.3 Overview of Operating Performance



In 2020, the Company's sales revenue was Baht 589,713 million, an increase of 11% from the previous year. This was due to 15% increase in overseas operations and 3% increase in Thailand operations. The main factor was that the Company had placed great emphasis on the manufacturing process management with highest standards and modern technologies and innovations, including applications of AI systems which enhanced works and generated better results in the industry. Therefore, even during the outbreaks of COVID-19 crisis and African swine fever (ASF), the Company could improve business performance. In addition, swine shortages had resulted in swine prices rising from the previous year in Asia, especially in Vietnam, Thailand and Cambodia. Moreover, the performance of aquatic business in Thailand had improved due to increased business efficiency and marketing strategy adjustments, thus, the Company's sales volume of shrimp in Thailand increased significantly. As a result, the Company's gross profit margin in 2020 was 18%, increased from 14% of the previous year. Selling and administrative expenses was Baht 57,380 million, an increase of Baht 2,983 million or 5%, due to increased sales. Thus, the Company's earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to Baht 81,692 million or a 72% increase.

Moreover, the Company has the following significant changes:

- Financing cost of Baht 16,818 million, an increase of Baht 3,033 million or 22%, as a result of the adoption of the financial reporting standards 16 - leases, causing the Company to increase the finance cost of the finance lease for approximate Baht 2,469 million;
- Income tax expense was Baht 11,001 million, an increase of Baht 5,555 million or 102%, which was line with the Company's increased profit;
- Share of profit/loss of associates and joint ventures was Baht 9,254 million, an increase of Baht 361 million or 4%. This was due to the operating results of Hylife since 2020 was the first year that the Company recognised its operating results, and share of profit from CTI, which had been changed to be an associated company since December 1, 2020;
- Impairment loss of Baht 4,356 million, an increase of Baht 1,779 million or 69% due to impairments of goodwill of Bellisio in the United States of America and CTEI, the biochemical company in China;

- Gain on loss of control in a subsidiary of Baht 11,199 million due to a swine investment in China, which changed CTI status from a subsidiary to an associate, which Baht 3,909 million attributable to equity holders of the Company (more information can be found in Notes to the financial statements No. 6 (b)).

Net profit for the year 2020 amounted to Baht 26,022 million, an increase of 41%, and earning per share was Baht 3.14 per share. The Board of Directors resolved to propose to the Annual General Meeting of Shareholders No. 1/2021 to consider and approve the dividend payment from the 2020 operating results to shareholders totalling Baht 1.00 per share, which had already been paid as an interim dividend to shareholders at the rate of Baht 0.40 per share on September 11, 2020.

4.1.4 Performance by business

	2019		2020		Change
	Million Baht	%	Million Baht	%	
1. Thailand operations	175,966	32%	180,570	30%	2.6%
1.1 Domestic	143,910	27%	151,429	25%	5.2%
Feed	38,427	7%	38,563	6%	
Farm and processing	81,371	15%	89,952	15%	
Food	24,112	5%	22,914	4%	
1.2 Export	32,056	5%	29,141	5%	-9.1%
Feed	75	0%	58	0%	
Farm and processing	8,038	1%	8,506	2%	
Food	23,943	4%	20,577	3%	
2. Overseas operations	356,607	66%	409,143	67%	14.7%
2.1 China	129,457	24%	157,688	26%	21.8%
Feed	98,189	18%	117,430	19%	
Farm and processing	22,139	4%	30,072	5%	
Food	9,129	2%	10,186	2%	
2.2 Vietnam	85,390	16%	107,793	18%	26.2%
Feed	27,552	5%	28,043	5%	
Farm and processing	54,759	10%	75,181	12%	
Food	3,079	1%	4,569	1%	
2.3 Other countries	141,760	26%	143,662	23%	1.3%
Feed	35,624	7%	34,097	5%	
Farm and processing	69,634	12%	70,980	12%	
Food	36,502	7%	38,585	6%	
Total sales revenue	532,573	98%	589,713	97%	10.7%
Other revenue	12,302	2%	18,072	3%	46.9%
Total revenue	544,875	100%	607,785	100%	11.5%

- Thailand operations

In 2020, Thailand operations' sales revenue was Baht 180,570 million or an increase of 3% from the previous year, accounted for 31% of the total sales revenue. This was due to an improved performance in swine business with increased domestic sales volume and more exports of swine products to Hong Kong and Singapore, including an increase of domestic swine price due to swine shortages caused by the ASF outbreaks in Asia. In addition, as a result of shifting sales strategy to focus more on domestic sales coupled with supporting small farmers in raising shrimp to increase business efficiency, the aquatic business had improved. However, in the midst of the COVID-19 pandemic in 2020, the Company's business had been affected by a decline of consumer spending which caused a decrease of sales volume, for instance, broiler products were affected due to postponement of the Summer Olympics in Japan, resulted in fewer exports from Thailand, and sales volumes of food products decreased due to reduced consumption and reduced distribution point working hours during the control period of COVID-19 pandemic, etc. In terms of production costs, following the increases of global prices of raw materials, the average price of raw materials slightly increased from the previous year. However, since the Company has placed

importance on controlling efficiency and costs through applications of technologies and innovations in both production and farming, the Company's cost of animal husbandry was lower. Following the increase of global price of soybean, soybean meal price was slightly increased from the previous year, which did not have a significant impact on the Company's profit margin. In 2020, the average gross profit margin of Thailand operations was 16%, an increase from 11% in the previous year.

- Overseas operations

In 2020, overseas operations' sales revenue was Baht 409,143 million or an increase of 15% from the previous year, accounted for 69% of the total sales revenue. This was due to improved operating results of almost every country. Proportions of sales revenue of China and Vietnam; the main countries of the international business group, were accounted for 27% and 18% of the sales revenue respectively. Other countries accounted for 24% of the total sales revenue. Overseas operations' average gross profit margin was 19%, an increase from 16% in the previous year.

China

In 2020, the business in China generated sales revenue of Baht 157,688 million, an increase of 22% from the previous year, whereas 70% of sales revenue derived from the feed business. An increase of the feed business' revenue was due to an increase of broiler feed sales volume.

Vietnam

In 2020, the business in Vietnam generated sales revenue of Baht 107,793 million, an increase of 26% from the previous year, mainly due to an increase of production capacity and product processing of fattening pigs. In addition, the swine price had increased when compared to the previous year due to swine shortages caused by the ASF outbreak.

4.2 Financial Status

(1) Assets

As of December 31, 2020, the Company's total assets amounted to Baht 761,719 million, consisting of current assets of Baht 194,670 million, Property, plant and equipment of Baht 200,138 million, goodwill of Baht 54,565 million, long-term investment of Baht 250,275 million and others of Baht 62,071 million.

Total assets increased by Baht 127,668 million or 20%, mainly due to

- increased cash and cash equivalents by Baht 24,941 million;
- long-term investment increased by Baht 119,621 million, mainly from the investment in Chai Tai Investment Co., Ltd ("CTI"), which its status has been changed from a subsidiary to an associate, of Baht 71,045 million, as well as from the purchase of investment in the associate; C.P. Retail Holding Co., Ltd., amounted to Baht 40,973 million;
- value of goodwill decreased by Baht 33,197 million, mainly due to the value of goodwill of CPP decreased by Baht 28,547 million since CTI status changed from being a subsidiary to an associate, as well as recognition of goodwill impairment of Bellisio Group of Baht 2,294 million and of Chia Tai Enterprises International Ltd. of Baht 1,627 million; and
- an increase of Baht 23,853 million in right-of-use assets due to the implementation of TFRS16 stipulating that leases shall be recognised as right-of-use assets and lease liabilities which the Company has initially adopted TFRS 16 in 2020.

(2) Liabilities and shareholders' equity

As of December 31, 2020, the Company's total liabilities amounted to Baht 499,540 million; consisting of trade and other payables of Baht 32,312 million, interest-bearing liabilities of Baht 384,246 million, lease liabilities of Baht 31,864 million, and others of Baht 51,118 million.

Total liabilities increased by Baht 84,362 million or 20% from the previous year, whereas a majority of changes was due to an increase in interest-bearing debt of Baht 53,139 million for purchases of investments and capital expenditures. There was an issue of additional debentures of Baht 31,704 million and an increase of long-term

loans from financial institutions of Baht 13,092 million and an increase in lease liabilities of Baht 29,070 million according to the implementation of TFRS16 which stipulates that leases shall be recognised as right-of-use assets and lease liabilities.

As of December 31, 2020, shareholders' equity amounted to Baht 262,179 million, an increase of 20% from the previous year. This was mainly due to an increase in non-controlling interest (NCI) of Baht 19,645 million as CTI status had been changed from being the subsidiary to the associate, whereas its fair value evaluation had caused the increase of NCI. In addition, the retained earnings increased by Baht 16,314 million due to improved operating profit and an increase of surplus from land revaluation by Baht 10,856 million.

(3) *Asset Management*

As of December 31, 2020, the Company had trade and other receivables of Baht 29,952 million, whereas the outstanding receivables exceeding the due date of more than 120 days amounted to Baht 1,842 million. The Company recorded allowance for impairment losses of Baht 1,010 million. The management has promulgated the credit risk control policy. The policy has been implemented on a regular basis by analysing financial statuses of all customers requesting for credit limits as well as considering other factors that may affect credit risks of the customers, which include default risks related to the industry and the countries where the customers operate businesses.

As of December 31, 2020, the Company had inventories amounting to Baht 52,136 million, which consisted of raw materials of Baht 25,419 million, finished goods of Baht 16,220 million, and others of Baht 10,497 million. The Company recorded allowance for decline in value of inventories of Baht 734 million, representing 1.4% of total inventories.

(4) *Liquidity and capital adequacy*

As of December 31, 2020, the Company's net cash flow increased by Baht 24,030 million, with cash and cash equivalents at the end of the period of Baht 54,407 million, an increase of 79% from the previous year, with cash flows in each activity as follows:

Cash flows from operations amounted to Baht 71,038 million, resulting from improving operating performance and asset management.

Cash flow from financing activities was Baht 28,841 million, mainly due to borrowings and debentures issuance.

Cash flows for investments amounted to Baht 75,919 million, mainly due to payment for the purchase of investments of Baht 46,923 million and capital expenditures of Baht 26,523 million.

As of December 31, 2020, the majority of interest-bearing liabilities were from borrowing of Baht 195,893 million, debentures of Baht 188,353 million, and perpetual subordinated bonds of Baht 15,000 million. Long-term borrowings and debentures due in 2021 amounted to Baht 37,027 million and due after 2021 amounted to Baht 244,196 million.

As of December 31, 2020, net debt to equity ratios calculated in accordance with the criteria specified in terms of rights and duties of an issuer and debenture holders of debentures that had not yet been redeemed were as follows:

(Unit: time)	Net Debt to Equity Ratio	
	Consolidated financial statements	Separate financial statements
Debentures issued before CPF debenture No. 2/2556 ^{/21}	1.62	1.04
CPF debenture No. 2/2556 and debentures issued thereafter ^{/22 /23}	1.22	N/A

^{/21} Net debt = Total liabilities - Cash and cash equivalents + Guarantee to any persons or juristic persons excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities

^{/22} Excluded perpetual subordinated bond

^{/23} Net debt = Total interest-bearing debt excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

As of December 31, 2020, total debt to equity ratio was 1.91 times, increased from 1.90 times of the previous year, while the debt servicing capability based on the net debt to earnings before interest, income tax expense, depreciation and amortization was 3.98 times, improving from the previous year at 5.51 times as a result of an increase in operating results in 2020.

In addition, the Company had a liquidity ratio of 0.95 time, increased from 0.90 time of the previous year and cash cycle at 40 days, which was less than the previous year at 47 days. According to the cash flow and liquidity ratios, the Company has sufficient liquidity to operate business and ability to repay debts as well as to comply with loan conditions

4.3 Capital expenditures in 2021

Capital expenditures for 2021 for Thailand and overseas operations totalled Baht 30,000 million (excluding capital expenditures for mergers and acquisitions). It is mainly for an investment in swine business in Thailand, aquatic business in Vietnam and broiler business in Russia. However, the capital expenditures may be adjusted according to changing circumstances.

4.4 Dividend payment

The Board of Directors' meeting held on February 24, 2021 passed a resolution approving the dividend payment according to CPF's operating results of the year 2020 to the shareholders in total at the rate of Baht 1.00 per share. CPF already paid the first dividend payment to shareholders as an interim dividend at Baht 0.40 per share on September 11, 2020. Therefore, the second dividend payment will be Baht 0.60 per share which will be paid from profit after deduction of taxable losses. Therefore, recipients are subject to withholding tax according to rules and conditions of the Revenue Code. However, recipients who are natural persons shall not be entitled to a tax credit in accordance with Section 47 bis of the Revenue Code. In this regard, the Board of Directors shall propose such dividend payment to the Annual General Meeting of Shareholders No. 1/2021 which will be held on April 30, 2021 for further approval.

4.5 Events after the reported period

- The Company has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from COVID-19 pandemic. The guidance expired on December 31, 2020.

However, the COVID-19 pandemic continued subsequent to the expiration of the guidance. It is still not possible to predict when the spread will be over. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, and government measures on the business of the Company.

- On January 22, 2021, CPF issued Baht 30,000 million unsubordinated and unsecured debentures No. 1/2021 in registered name and with debenture holder representative, a term of 2-12 years and bearing interest at the fixed rate of 1.75% - 3.80% per annum.

The debentures had credit rating of "A+" rated by TRIS Rating Co., Ltd. on December 8, 2020 and were registered with the Thai Bond Market Association on January 22, 2021.

4.6 Factors affecting future performance

In accordance with the guidelines mentioned in (2) Risk Management under Part 1 Business Operations and Performance, the Company has had measures for systematically managing risks that affect the Company's operations to be at acceptable level. However, there are still possibilities that the implementation of the prescribed risk management measures may not be effective enough to reduce the risks to an acceptable level as well as uncontrolled external factors such as outbreaks of new diseases or macro-economic problems that may affect expected operating results.

4.7 Key Financial Information and Ratio

(A) Consolidated Statements of financial position of CPF and its subsidiaries as of December 31, 2018, 2019 and 2020

	As of December 31,					
	2018		2019		2020 ^{/24}	
	Baht million	%	Baht million	%	Baht million	%
Cash and cash equivalent	31,478	5	32,094	5	57,035	8
Current investments	1,555	-	1,402	-	962	-
Accounts receivable - trade and others	40,749	6	33,118	5	29,952	4
Inventories	59,632	10	60,987	10	52,136	7
Current biological assets	34,678	6	37,104	6	38,925	5
Other current assets	17,451	3	13,941	2	15,660	2
Total current assets	185,543	30	178,646	28	194,670	26
Investments in equity securities	5,799	1	5,326	1	11,422	1
Investments in associates and joint ventures	105,721	17	125,328	20	238,853	31
Investment properties	1,851	-	1,647	-	1,433	-
Property, plant and equipment	195,201	31	197,430	31	200,138	26
Right-of- use assets	8,302	1	8,520	1	32,373	4
Goodwill	95,428	15	87,762	14	54,565	7
Other intangible assets	16,222	3	14,405	2	13,143	2
Non-current biological assets	8,216	1	8,057	1	8,531	1
Other non-current assets	5,808	1	6,930	1	6,591	1
Total non-current assets	442,548	70	455,405	72	567,049	74
Total assets	628,091	100	634,051	100	761,719	100
Overdrafts and short-term borrowings	61,312	10	72,204	11	63,846	8
Bills of exchange	32,244	5	21,818	3	38,754	5
Accounts payable – trade and others	35,459	6	32,184	5	32,312	4
Current portion of long-term debts	26,968	4	42,404	7	37,027	5
Lease liabilities due within one year	160	-	323	-	4,172	1
Other current liabilities	26,069	4	28,778	5	28,035	4
Total current liabilities	182,212	29	197,711	31	204,146	27
Long-term debts	207,267	33	194,023	31	244,196	32
Lease liabilities	1,681	-	2,471	-	27,692	4
Provision for employee benefits	5,966	1	9,596	1	10,553	1
Other non-current liabilities	12,307	2	11,377	2	12,952	2
Total non-current liabilities	227,221	36	217,467	34	295,394	39
Total liabilities	409,433	65	415,178	65	499,540	66
Total equity	218,658	35	218,873	35	262,179	34

^{/24} Details of significant investments during the accounting period are presented in (4) Management Discussion and Analysis, pages 67-68

(B) Consolidated statements of income of CPF and its subsidiaries for the years ended December 31, 2018, 2019 and 2020

	2018		2019		2020 ²⁵	
	Baht million	%	Baht million	%	Baht million	%
Revenue from sale of goods	541,937	98	532,573	98	589,713	97
Gains on sale of investments	9,328	2	8,090	1	1,575	-
Gains on loss of control in a subsidiary	-	-	-	-	11,199 ²⁶	2
Others	4,238	-	4,217	1	5,298	1
Total income	555,503	100	544,880	100	607,785	100
Cost of sale of goods	476,228	86	456,269	84	482,470	80
Loss (Gains) on changes in fair value of biological assets	(3,975)	-	(3,235)	(1)	270	-
Selling and administrative expenses	52,049	9	57,396	11	62,021	10
Finance costs	11,703	2	13,785	3	16,818	3
Others	204	-	14	-	367	-
Total expenses	536,209	97	524,229	97	561,946	93
Share of profits of associates and joint venture	8,343	2	8,893	2	9,254	2
Profit before income tax	27,637	5	29,544	5	55,093	9
Income tax expense	6,212	1	5,446	1	11,001	2
Profit for the year	21,425	4	24,098	4	44,092	7
Non-controlling interests	(5,894)	(1)	(5,642)	(1)	(18,070)	(3)
Profit for the year attributable to equity holders of the Company	15,531	3	18,456	3	26,022	4

(C) Consolidated Statements of comprehensive income for the years ended December 31, 2018, 2019 and 2020

(Unit : Baht million)	2018	2019	2020
Profit for the year	21,425	24,098	44,092
Other comprehensive income (loss) for the year, net of income tax	(14,712)	(13,999)	12,212
Total comprehensive income for the year	6,713	10,099	56,304
Non-controlling interests	(3,589)	(959)	(24,545)
Total comprehensive income for the year attributable to equity holders of the Company	3,124	9,140	31,759

(D) Consolidated statements of cash flows for the years ended December 31, 2018, 2019 and 2020

(Unit : Baht million)	2018	2019	2020
Net cash provided by (used in) operating activities	15,294	40,609	71,038
Net cash provided by (used in) investing activities	(27,880)	(26,648)	(75,919)
Net cash provided by (used in) financing activities	22,029	(12,034)	28,841
Net increase (decrease) in cash and cash equivalent	9,443	1,927	23,960
Cash and cash equivalents at the beginning of the year	21,922	30,043	30,377
Effect of exchange rate changes on the balances held in foreign currencies	(1,322)	(1,593)	70
Cash and cash equivalents at end of year	30,043	30,377	54,407

²⁵ Details of significant investments during the accounting period are presented in (4) Management Discussion and Analysis, pages 67-68

²⁶ Gain on loss of control in CTI was attributable to equity holders of the Company by Baht 3,909 million and attributable to non-controlling interests by baht 7,290 million

(E) Key financial ratios of the consolidated financial statements of CPF and its subsidiaries

	2018	2019	2020
Liquidity ratios			
Current ratio ²⁷ (times)	1.02	0.90	0.95
Quick ratio ²⁸ (times)	0.40	0.34	0.43
Cash flow liquidity ratio ²⁹ (times)	0.08	0.21	0.35
Accounts receivable turnover ³⁰ (times)	13.81	14.06	18.11
Collection period ³¹ (days)	27	26	21
Finished goods turnover ratio ³² (times)	29.39	26.11	28.18
Finished goods turnover ³³ (days)	13	14	13
Inventory turnover ratio ³⁴ (times)	8.22	7.50	8.43
Inventory turnover ³⁵ (days)	45	49	44
Accounts payable turnover ³⁶ (times)	13.55	13.49	14.96
Payable period ³⁷ (days)	27	28	25
Cash Cycle ³⁸ (days)	45	47	40
Profitability ratios			
Gross profit margin ³⁹ (%)	12.12	14.33	18.19
Operating profit margin ⁴⁰ (%)	7.26	8.14	12.19
Other income to total income ⁴¹ (%)	2.60	2.35	2.88
Cash to profit ⁴² (%)	62.30	134.30	131.16
Net profit margin ⁴³ (%)	3.77	4.33	7.15
Return on Equity ⁴⁴ (%)	9.31	11.06	14.45
Operating Efficiency ratios			
Return on assets ⁴⁵ (%)	3.51	3.82	6.32
Return on fixed assets ⁴⁶ (%)	19.07	20.18	30.35
Asset turnover ⁴⁷ (times)	0.93	0.88	0.88
Leverage ratios			
Debt to equity ⁴⁸ (times)	1.87	1.90	1.91
Interest coverage ⁴⁹ (times)	4.76	4.36	5.81
Debt service coverage ⁵⁰ (times)	0.45	0.47	0.60
Net debt to equity ⁵¹ (times)	1.68	1.71	1.62

²⁷ Current ratio = Total current assets / Total current liabilities

²⁸ Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities

²⁹ Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities

³⁰ Accounts receivable turnover = Net sales / Average accounts receivable - trade and others

³¹ Collection period = 365 / Accounts receivable turnover

³² Finished goods turnover ratio = Cost of sale of goods / Average finished goods

³³ Finished goods turnover = 365 / Finished goods turnover ratio

³⁴ Inventory turnover ratio = Cost of sale of goods / Average inventory

³⁵ Inventory turnover = 365 / Inventory turnover ratio

³⁶ Accounts payable turnover = Cost of sale of goods / Average accounts payable

³⁷ Payable period = 365 / Accounts payable turnover

³⁸ Cash Cycle = Average collection period + Inventory turnover - Payable period

³⁹ Gross profit margin = Gross profit / Net sales

⁴⁰ Operating profit margin = Profit before finance costs and income tax expense / Net sales

⁴¹ Other income to total income = Profit before finance costs and income tax expense / Net sales

⁴² Cash to profit = Cash flow from operation / operating profit

⁴³ Net profit margin = Net profit / Total revenues

⁴⁴ Return on Equity = Net profit attributable to equity holders of the Company / Average shareholders' equity

⁴⁵ Return on assets = Net profit / Average total assets

⁴⁶ Return on fixed assets = (Net profit + Depreciation) / Average fixed assets

⁴⁷ Asset turnover = Total revenues / Average total assets

⁴⁸ Debt to equity = Total liabilities / Total shareholders' equity

⁴⁹ Interest coverage = Earnings before interest, income tax, depreciation and amortisation / interest expenses

⁵⁰ Debt service coverage = Earnings before interest, income tax, depreciation and amortization / (debt matured in 1 year and interest expense)

⁵¹ Net debt to equity = Net debt / Total shareholders' equity whereby Net debt means total debt - cash and cash equivalents + guarantee to any persons or juristic persons excluded

(1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities (according to Terms of rights and duties of an issuer and debenture holders of debentures for debentures issued before CPF debenture No. 2/2556)



	2018	2019	2020
Net debt to equity ^{/52} (times)	1.32	1.33	1.22
Net interest-bearing debt to equity ^{/53} (times)	1.32	1.33	1.59
Dividend payout ^{/54} (%)	36.04	32.66	32.51
Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization ^{/55} (times)	5.53	5.51	3.98
Bill of Exchange to interest-bearing debt ratio ^{/56} (times)	0.10	0.07	0.09
Debt matured in 1 year to total interest-bearing debt ^{/57} (%)	37	41	35
Loan from financial institution to total debt ^{/58} (%)	43	46	38

^{/52} Net debt to equity = Net debt / Total shareholders' equity whereby Net debt means total interest-bearing debt - cash and cash equivalents + guarantee to any persons or juristic persons excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities (according to Terms of rights and duties of an issuer and debenture holders of debentures for CPF debenture No. 2/2556 and debentures issued thereafter)

^{/53} Net interest-bearing debt to equity = Net debt / Total shareholders' equity whereby Net debt means total interest-bearing debt excluded debt under financial lease agreements - cash and cash equivalents and current investments

^{/54} Dividend payout = Dividend paid / Net profit attributable to equity holders of the Company according to the Company's consolidated financial statements

^{/55} Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization = total interest-bearing debt / earnings before interest, income tax, depreciation and amortization

^{/56} Bill of Exchange to interest-bearing debt ratio = Bill of Exchange / total interest-bearing debt

^{/57} Debt matured in 1 year to total interest-bearing debt = (short-term interest-bearing debt + long-term interest-bearing debt due within 1 year)*100 / total interest-bearing debt

^{/58} Loan from financial institution to total debt = (Overdraft + loan from financial institution + debt from trust receipts)*100 / total interest-bearing debt

**5. General Information****5.1 Company Information**

Company name	: Chareon Pokphand Foods Plc. ("CPF")
Business	: Agro-industrial and Food in Thailand and Overseas
Head office	: 313 C.P. Tower, Silom road, Silom, Bangrak, Bangkok 10500 Thailand
Registration number	: 0107537000246
Telephone number	: 66-2-766-8000 (Operator)
:	66-2-766-8352 and 8354 (Company Secretary Office)
	66-2-766-8351, 8353, 8355 and 8356 (Investor Relation and Capital Market Office)
Facsimile number	: 0-2638-2139
Website	: http://www.cpfworldwide.com
E-mail	: csoffice@cpf.co.th (Company Secretary Office)
	iroffice@cpf.co.th (Investor Relation and Capital Market Office)

Companies which CPF holds more than 10%

Details are shown in Investment of CPF Group under 1.1 Business Overview

References**(1) Share Registrar**

Thailand Securities Depository Co., Ltd.
 93 Ratchadaphisek road,
 Dindaeng, Bangkok 10400 Thailand
 Telephone number 66-2-009-9999
 Facsimile number 66-2-009-9991

(2) Bond Registrar and Bondholders' Representative***CPF debentures No. 2/2012 Series 2 due 2022 and Series 3 due 2032***

Bond registrar	Agent and Securities Service Department, TMB Bank Plc., 3000 Head Office Building, 5A floor, Phahonyothin road Chompol, Chatuchak, Bangkok 10900 Thailand Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270
Bondholders' representative	Agent and Securities Service Department, Bank of Ayudhya Plc. 1222 Rama 3 road, Bangpongpan, Yannawa, Bangkok 10120 Thailand Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

CPF debentures No. 1/2011 Series 2 due 2021, Series 3 due 2041 with debentureholders' early redemption right and No.2/2011 due 2041 with debentureholders' early redemption right

Bond registrar and	Securities Service Department, Bangkok Bank Plc.
Bondholders' representative	Treethip Building, 1 st floor, Silom road, Silom, Bangrak, Bangkok 10500 Thailand Telephone number 66-2-636-5696 Facsimile number 66-2-230-1893

CPF debentures No. 1/2016 Series 2 due 2024 and Series 3 due 2031

Bond registrar	Registrar 1, Siam commercial Bank Plc., 15 th floor, North Wing, G Tower Grand Rama 9 9 Rama 9 road, Huaykwang, Bangkok 10310 Thailand Telephone number 66-2-128-2324-9 Facsimile number 66-2-128-4625
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**CPF debentures No. 2/2013 Series 3 due 2021, No. 2/2015 Series 1 due 2023, Series 2 due 2025 and Series 3 due 2027**

Bond registrar Agent and Securities Service Department, TMB Bank Plc.,
3000 Head Office Building, 5A floor, Phahonyothin road
Chompol, Chatuchak, Bangkok 10900 Thailand
Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270

CPF debentures No. 1/2015 Series 2 due 2023

Bond registrar and Agent and Securities Service Department, Bank of Ayudhya Plc.
Bondholders' representative 1222 Rama 3 road, Bangpongpan,
Yannawa, Bangkok 10120 Thailand
Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

CPF subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No. 1/2017

Bond registrar Registrar 1, Siam commercial Bank Plc.,
15th floor, North Wing, G Tower Grand Rama 9
9 Rama 9 road, Huaykwang, Bangkok 10310 Thailand
Telephone number 66-2-128-2324-9 Facsimile number 66-2-128-4625

Bondholders' representative Custodian and Escrow Representative Department, Krung Thai Bank Plc.
35 Sukhumvit road, Klongtoey Nuer,
Watthana, Bangkok 10110 Thailand
Telephone number 66-2-298-0821 Facsimile number 66-2-298-0835

CPF debentures No. 1/2018 Series 1 due 2025 and Series 2 due 2028, No. 2/2018 Series 2 due 2022, Series 3 due 2024, Series 4 due 2028 and Series 5 due 2030, No.1/2020 Series 1 due 2024, Series 2 due 2024, Series 3 due 2027, Series 4 due 2027, Series 5 due 2032 and Series 6 due 2035

Bond registrar and Registrar 1, Siam commercial Bank Plc.,
Bondholders' representative 15th floor, North Wing, G Tower Grand Rama 9
9 Rama 9 road, Huaykwang, Bangkok 10310 Thailand
Telephone number 66-2-128-2324-9 Facsimile number 66-2-128-4625

(3) Auditor for the Year 2020

1. Mrs. Munchupa Singsuksawat C.P.A. (Thailand) No. 6112
2. Mr. Charoen Phosamritlert C.P.A. (Thailand) No. 4068
3. Miss Sawitree Ongksirimemongkol C.P.A. (Thailand) No. 10449

KPMG Phoomchai Audit Ltd.

Empire Tower, 48th-50th floor
1 South Sathorn road, Sathorn, Bangkok 10120 Thailand
Telephone number 66-2-677-2000 Facsimile number 66-2-677-2222

5.2 Other Information**Foreign Holding Limit**

CPF shares are free to transfer unless otherwise such transfer cause the alien being shareholder of CPF more than 40% of the total number of shares sold.

Aliens may acquire shares of CPF exceeding the proportion as specified in the first paragraph of CPF Articles of Association by subscribing the newly issued shares offered by CPF or exercising the conversion right or purchase option of newly issued shares if such alien holds the convertible debenture and/or warrant and/or other securities which provide the said right to the holder of securities issued and offered by CPF (including dividend shares or shares issued for shareholders

who acquire such share(s) by subscribing the share or exercising the right under the preceding paragraph), provided that the said acquisition shall, when including the proportion of alien in the first paragraph, not cause the proportion of shares held by Aliens exceeding 49% of the total issued and sold shares at such time. Such limitation shall apply to aliens who acquire the new share by subscribing the new shares issued and offered by CPF from increasingly of the share capital or by exercising the conversion or purchase option of the security holder mentioned in this paragraph (including dividend shares or shares issued for shareholders who acquire such share(s) by subscribing the share or exercising the right under this paragraph) to any alien in every stage of transfer until such shares are transferred to any person who is not an alien.

As of March 12, 2021, the latest record date, there were 27.29% of CPF issued shares held by foreign investors.

5.3 Legal Disputes

The Company only involved in disputes from the normal operation and no disputes with an amount of claim exceeds 5% of shareholder' equity as of December 31, 2020. Moreover, the Company has not involved in any disputes which have significantly affect the Company's operation but the assessment whereof cannot be quantified in numbers or disputes not caused by normal operation and circumstances.

5.4 Financial Institutions with Regular Contacts

- | | |
|---|---|
| 1. Bangkok Bank Plc.
333 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Telephone number 0-2231-4333
Facsimile number 0-2231-4742 | 2. Kasikornbank Plc.
400/22 Phahon Yothin Road, Sam Sen Nai,
Phaya Thai, Bangkok 10400 Thailand
Telephone number 0-2470-3099
Facsimile number 0-2544-7969 |
| 3. Krung Thai Bank Plc.
35 Sukhumvit Road, Klongtoey Nuer,
Watthana, Bangkok 10110 Thailand
Telephone number 0-2255-2222
Facsimile number 0-2256-8800 | 4. TMB Bank Plc.
3000 Phahonyothin Road Chompol,
Chatuchak, Bangkok 10900 Thailand
Telephone number 0-2299-1111
Facsimile number 0-2299-2568 |
| 5. Siam Commercial Bank Plc.
9 Ratchadaphisek Road
Chatuchak, Bangkok 10900 Thailand
Telephone number 0-2544-5740
Facsimile number 0-2544-7969 | 6. Bank of Ayudhya Plc.
1222 Rama 3 Road, Bangpongpan,
Yannawa, Bangkok 10120 Thailand
Telephone number 0-2296-4776
Facsimile number 0-2296-4866 |



Charoen Pokphand Foods Public Company Limited

Part 2 Corporate Governance

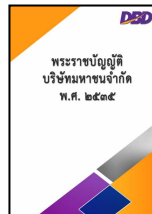
6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

The Company has studied the rules issued by regulatory agencies, including concepts, practices and principles of corporate governance implemented at the national and international levels, all of which has been applied appropriately to the Company's context.



Securities and Exchange Act B.E. 2535 (1992)



Public Limited Companies Act, B.E. 2535 (1992)



Notifications and regulations issued by the Securities and Exchange Commission



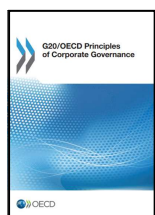
Notifications and regulations issued by the Stock Exchange of Thailand



Corporate Governance Code for Listed Company or CG Code 2017 issued by the Securities and Exchange Commission.



Corporate Governance Report prepared by the Thai Institute of Directors or IOD



Corporate Governance prepared by the Organisation for Economic Co-operation and Development or OECD



Self-Evaluation Tool for Countering Bribery developed by the Private Sector Collective Action Coalition against Corruption



Dow Jones Sustainability Indices, under a collaboration between S&P Global and SAM, specialist in sustainability investment



FTSE4Good Index, by FTSE Russell, England, is one among leading sustainability indices that assess the environmental, social and governance operating performance.



ASEAN Corporate Governance being support by ASEAN Capital Markets Forum and Asian Development Bank (ADB)



MSCI ESG by MSCI ESG Research is a collector of sustainability data of listed companies under MSCI All Country World Index

Good corporate governance is an integral part in building organizational sustainability, creating economic growth that enables good and reliable performance in the long term as well as sustainable business values, all of which shall meet expectations of the business sector, shareholders, stakeholders and society as a whole.

The Company's Corporate Governance Policy is regarded as the mission to be fully recognized and implemented by the Board of Directors, executives and employees throughout the organization. **An evaluation of the implementation of this Policy and report on the results thereof to the Board of Directors shall be made at least once a year.** In addition, the Company also provides an online learning about CPF Code of Conduct, whereas employees can take tests to obtain assessment results for ensuring that all employees understand their roles and duties of preventing improper operations or actions as well as their

responsibilities for conducting business with integrity. In the event of encountering any actions that are against the law, rules and business ethics, employees shall report to relevant departments and such relevant departments shall further report to the compliance authority, or employees shall inform accordingly through the whistleblowing channels provided by the company.



According to OECD Principles, the Company's Corporate Governance Policy consists of 5 major chapters and 12 key policies.^{/59} The Company's Corporate Governance Policy and Practices are disseminated at Attachment 6 of Annual Report 2020 (56-1 One Report) and the Company's website at <https://www.cpfworldwide.com/th/governance>

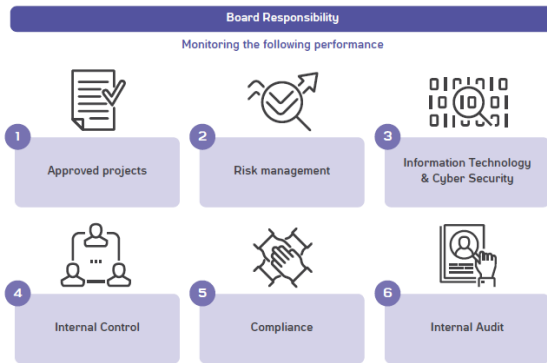


The Board of Directors is appointed to act on behalf of the shareholders to supervise the corporate governance in conformity with the laws, objectives, rules and resolutions of shareholders' meetings, including ensuring that the management has performed duties to achieve operating results according to strategies and plans annually approved by the Board, by taking into account balancing interests of the Company and all stakeholder groups under the three major strategies: "sustainable growth, aiming for excellence, and building solid foundation", along with creating corporate values or "CPF Way". The Board of Directors shall pay attention to the four fiduciary duties including (1) duty of care: performing duties responsibly and carefully, (2) duty of loyalty: performing duties with integrity to protect shareholders' interests and the country's financial stability, (3) duty of obedience: complying with laws, objectives, regulations, board resolutions and resolutions of shareholders meetings, and (4) duty of disclosure: disclosing accurate and complete information in a transparent and timely manner.



^{/59} Consists of 1. Conflict of Interest Policy, 2. Anti-corruption Policy, 3. No Gift Policy, 4. Sustainability Policy, 5. Code of Conduct for Business Partners 6. Supply Chain Management Policy, 7. Human Rights and Labour Practices Policy, 8. Whistle Blowing Policy, 9. Personal Data Protection Policy, 10. Occupational Safety and Health Policy, 11. Information Management Policy, and 12. Anti-money Laundering Policy

The Board of Directors has considered the corporate governance structure on the basis of risk management, internal

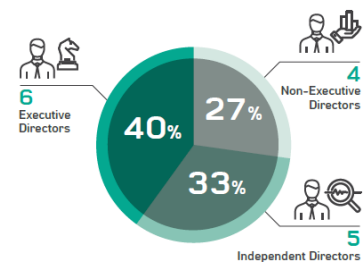


control and compliance audit in order to ensure check & balance between various activities throughout the organization, which shall support the Company to achieve its operational objectives as well as creates long-term competitiveness.

Moreover, the Board of Directors is also responsible for monitoring performances according to approved plans, risk management implementation, supervision of information technology management and cybersecurity, internal control, compliance and internal audits.

Board Composition

The Company's Board of Directors consists of 15 directors, comprised 5 independent directors, 6 executive directors and 4 non-executive directors. The Board of Directors shall be free of any relationship with the Management and has an autonomy to discuss, exchange opinions and make decisions on voting at meetings independently, including proposing meeting agendas and encouraging senior executives to attend meetings for receiving the Board's recommendations.



Moreover, a wide range of skills, knowledge, abilities, experiences, races, nationalities, genders, and ages are important

factors in determining the Board composition in order to achieve effective work and a variety of ideas, etc. At present, the Board of Directors consists of 2 women: Mrs. Vatchari Vimooktayon, the independent director, and Mrs. Arunee Watcharananan, the executive director.

The age range of the directors has expanded, whereas the minimum age of directors is 53 years.

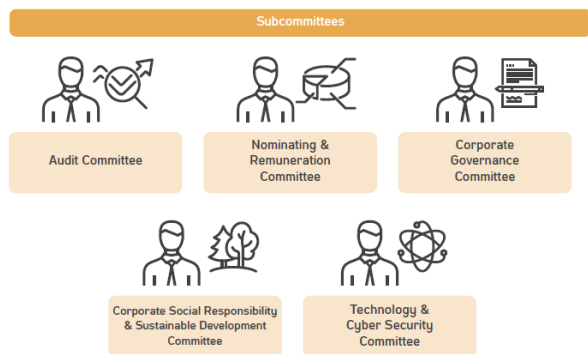


CPF Board Skills Matrix														
	Other Business/Industries			Accounting/Finance			Others							
	Agro Food	Health Science	Retail Wholesale	Business Management	Finance Accounting	Economic	Corporate Governance	Risk Management	Management	Marketing	Human Resources Management	Social & Environment	Tax	Business Laws
1. Mr. Soopakij Chearavanont														
2. Mr. Chingchai Lohawatanakul														
3. Mr. Phongthep Chiaravanont														
4. Mr. Adirek Sripratak														
5. Mr. Suphachai Chearavanont														
6. Mr. Rungson Sriworasat														
7. Professor Dr. Pongsak Angkasith														
8. Pol. Gen. Phatcharavat Wongsuwan														
9. Mrs. Vatchari Vimooktayon														
10. Mr. Vinai Vittavasarnvej														
11. Mrs. Arunee Watcharananan														
12. Mr. Prasit Boondoungprasert														
13. Mr. Siripong Aroonratana														
14. Dr. Sujint Thammasart, D.V.M.														
15. Mr. Paisan Chirakitcharern														

In 2020, the Board of Directors had convened totally 13 meetings and the Non-Executive Directors held one meeting to independently discuss matters related to the Company's management without the Management present. The meetings of the Board of Directors and the Committees for the year 2021 are scheduled in advance. There will be the meetings in February, March, May, June, August, November and December.



To perform its roles more efficiently, the Board of Directors has appointed specific committees which consist of directors



who have expertise and experiences in such aspects. The committees shall support in determining goals and operating practices for such areas before approval. The Company's committees include (1) the Audit Committee, responsible for internal audit, internal control and risk management, (2) the Remuneration and Nominating Committee, (3) the Corporate Governance Committee, (4) the Corporate Social Responsibility and Sustainable Development Committee and (5) the Technology and Cyber Security Committee.

The Corporate Governance Committee is responsible for (1) determining corporate governance scope and policy, (2) providing practices and suggestions relating to corporate governance to the Company's Board of Directors, (3) re-examining with the directors and management regarding compliance with the Corporate Governance Policy and (4) considering and reviewing the corporate governance practices by comparing them with the international practices as well as giving comments to the Company's Board of Directors for continuous improvement efficiently and effectively at least once a year.

The Remuneration and Nominating Committee is responsible for (1) reviewing and providing recommendations on the structure, size and composition of the Board of Directors, (2) selecting qualified candidates to be nominated for election as the Company's director and membership of the Audit Committee in order to propose to the Board of Directors for consideration in the event of vacancies, and (3) reviewing policy frameworks, guidelines and remunerations for the Company's directors to ensure appropriateness in accordance with their responsibilities and comparable to position levels in the industry and expected benefits, by linking such matters to the Company's performance and the Board of Directors' performance assessment. In case the Remuneration and Nominating Committee have considered and opined that there should be a change from the resolution of the shareholders' meeting which had previously been approved, the Remuneration and Nominating Committee shall propose the matter to the Company's directors for consideration and propose to the shareholders' meeting for amendment approval.

Basic Criteria for Selection of Candidate Nominated for Election as Director include:

- 1.1 Having knowledge and expertise as required (Board Skills Matrix) as well as skills, experience and competence that are beneficial to the Company, such as related industries, accounting and finance, information technology, auditing and risk management, etc. to ensure that the candidate's qualifications are consistent with the Company's short-term and long-term business strategies, by recognising that driving the organisation towards the goals is a priority;
- 1.2 Race, nationality and gender diversity;
- 1.3 Not having prohibited characteristics as stipulated by applicable law;
- 1.4 In selection of candidate nominated for independent director, the candidate shall have qualifications as specified by the Capital Market Supervisory Board;
- 1.5 Holding director positions in no more than 5 listed companies in Thailand, whereby an executive director may hold director positions in no more than 2 other listed companies; and
- 1.6 Never been an employee or partner of an external audit company hired by the Company during the past 2 years.

The Company's shareholders are able to nominate qualified persons to serve as the Company's directors, whereas a professional search firm or a director pool database of an external institution can be used for consideration according to the Company's criteria notified to the public through the channels provided by the Stock Exchange of Thailand prior to the shareholders' meeting with the agenda of appointment of the directors.

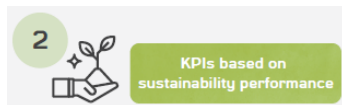
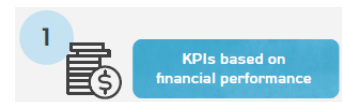
The Board of Directors has also appointed the Executive Committee which consists of directors and senior executives who are responsible for the main businesses and supportive divisions, all of whom shall assist the Board in supervising the

executive management to perform duties efficiently and effectively in accordance with the policies and business goals determined by the Board.

Being appointed by the Board of Directors, **Chief Executive Officer** is responsible for managing the Company's business towards its objectives and goals and overseeing business operations to ensure maximum, appropriate and equitable benefits for all stakeholder groups, including providing disclosure of the Company's general and financial information in accordance with good practices as well as having an approval authority on any action which is the Company's normal business operation.

The Board of Directors shall evaluate the Chief Executive Officer's performance annually in order to consider his remuneration on the basis of 2 major indicators, namely:

1. Financial indicators such as revenue, market capitalization, profitability, including EBITDA margin, Return on Equity and net profit margin, etc., and



2. Sustainability performance indicators, namely sustainability assessment results by external organisations such as Dow Jones Sustainability Indices, FTSE4Good Index, MSCI ESG, CDP Scores (Carbon Disclosure Project) and survey projects on corporate governance of listed companies, etc. as well as the organisation's implementation results on sustainable development goals 2030, which includes employee engagement.

The Chief Executive Officer's remuneration consists of salary, annual bonus and variable compensation based on actual performance.

The Company also establishes **working groups to undertake works related to economy, society and environment**. The working groups shall support on various aspects of work as appropriate and in accordance with the Company's sustainability goals.

Corporate Governance and Sustainability Achievements in 2020



The Corporate Governance Report is rated "Excellent" by the Thai Institute of Directors Association



ASEAN Asset Class PLCs Award from ASEAN CG Scorecard 2019



Member of Dow Jones Sustainability Indices (DJSI) in category: Emerging Markets



Member of FTSE4Good Emerging Index



Being listed in "Thailand Sustainability Investment" by the Stock Exchange of Thailand

Rights of Shareholders

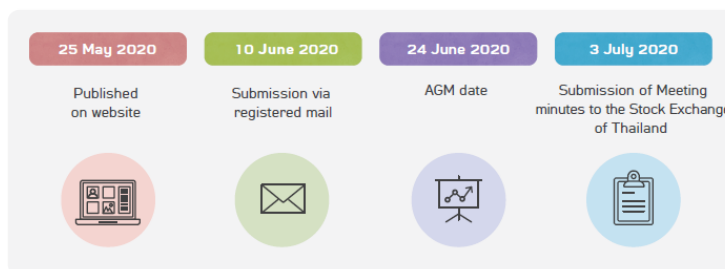
The Board of Directors recognises the shareholders' rights as prescribed by the law. Therefore the Board encourage shareholders to exercise their rights as appropriate and shall not take any action which violates or infringes the rights of shareholders, regardless of occurrence of any serious incident or situation that the Company cannot control. In 2020, for example, due to the outbreak of coronavirus disease ("COVID-19"), the Company had to postpone the Annual General Shareholders' Meeting No. 1/2020 which was originally scheduled in April 2020 to June 24, 2020 and sent invitation letter only 14 days in advance (the Company normally sends invitation letter 21 days in advance) as a result of such unusual situation . The Company has completely promoted the rights of shareholders, whether providing opportunity to minority shareholders to

propose additional agenda prior to the meeting of shareholders, as well as to propose names of qualified persons to serve as directors of the Company. In this regard, the Company disseminated criteria, information receiving channels and period of time for receiving information to the shareholders or information and documents relevant to the Annual General Shareholders' Meeting on its website. Such information and documents were the same as those sent to the shareholders by mail, along with notices of meeting. In the notice of meeting, it contains information including (1) the meeting agenda with Board's opinion, (2) the meeting date, time and venue, (3) criteria and supporting documents for registration, and (4) the opportunity provided to shareholders for submitting questions regarding the meeting agenda to the Company in advance at csoffice@cpf.co.th or fax number 0-2638-2139, for the Board of Directors to consider and provide full clarification to the shareholders' meeting.



30 September 2019 - 31 December 2019

Shareholders were invited to propose the meeting agenda and nominate qualified candidates



The 2020 Annual General Shareholders' Meeting was held at the Conference Room, 11th Floor, C.P. Tower, 313 Silom Road, Silom, Bang Rak, Bangkok. The Company determined measures and guidelines for the meeting according to the guidelines of the Centre for COVID-19 Situation Administration, No. 3/2563, Re: Compliance Guidelines Issued Pursuant to Section 9 of the Emergency Decree on Public Administration in Emergency Situation, B.E. 2548 (2005) (No. 2) ("CCSA Order") to reduce the risk of pandemic disease threats. To reduce time spent in the registration process, the Company used a barcode system and arranged adequate personnel to check the documentation of each attending shareholder. The Company clarified the meeting rules and the voting procedures and methods. For each agenda item, shareholders were asked to vote by ballot in case they wished to vote against the proposed matter or abstain from voting. Legal advisors were also present to monitor the meeting to ensure that it was conducted in accordance with the law and the Company's Articles of Association, and to witness the vote counting.

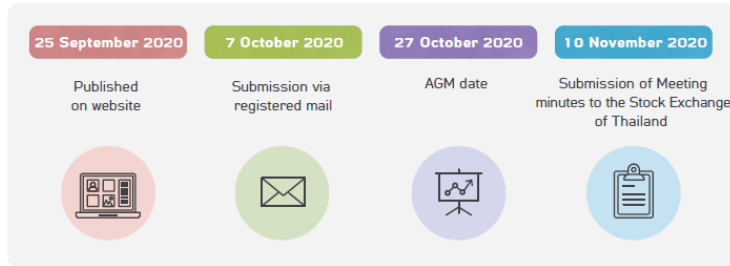
According to the CCSA Order regarding organising the meeting room, the number of seats was limited to 50 seats. The Company then had prepared the number of seats as many as possible for shareholders. There were 8 directors and senior executives in attendance, including Vice Chairman, Chief Executive Officer, the committee members, Chief Operating Officer and Chief Financial Officer.

Due to the 2020 Annual General Shareholders' Meeting, since the Chairman was unable to attend the meeting due to an important errand, therefore, Mr. Adirek Sripratak, Vice Chairman of the Company, took on the role of Chairman according to the Company's Articles of Association. Shareholders were given opportunities to express their views and raise questions on matters under the relevant agenda items, and to elect directors individually to replace the retiring directors under the agenda item relating to election of directors. During the meeting, the conductor of the meeting provided information and rationales supporting the decision on each proposed matter and informed the meeting of the votes required for each agenda item.

The Company prepared the minutes of the meeting which included two main sections. Section one consisted of general information such as the names of the directors and executives presented, the number of shareholders in attendance at the commencement of the meeting and the total number of their votes, the voting and voting counting rules, etc. Section two consisted of information relating to matters proposed to the shareholders according to the meeting agenda included in the notice of meeting, the summaries of significant details presented by the Board of Directors, questions raised by shareholders and explanations given by the management on the significant and pertaining matters (if any) under the respective agenda items, and the voting results categorized into affirmative, negative, abstaining votes and invalid votes. The Company submitted the minutes of the 2020 Annual General Shareholders' Meeting to the Stock Exchange of Thailand on July 3, 2020 (14 days from the meeting date), and simultaneously posted them on the Company's website.

In 2020, The Company organised the Extraordinary General Shareholders' Meeting No. 1/2020 on October 27, 2020 to consider the connected transactions at Magnolia Ballroom, 10th Floor, Waldorf Astoria Bangkok, Ratchadamri Rd, Lumpini, Pathum Wan District, Bangkok. The Company had complied with measures and guidelines for the meeting according to the

guidelines of the CCSA Order to reduce a risk for the spread of COVID-19. For the Extraordinary General Shareholders'



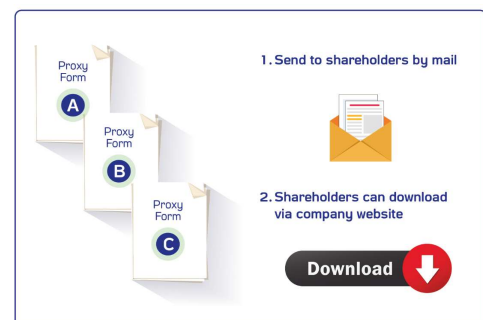
Meeting No. 1/2020, the Company disseminated information and documents relevant to the meeting to on its website. Such information and documents were the same as those sent to the shareholders by mail, along with notices of meeting. In the notice of meeting, it contains information including (1) the meeting agenda with Board's opinion, (2) report on opinion of the independent financial advisor, (3)

the meeting date, time and venue, (4) criteria and supporting documents for registration, and (5) the opportunity provided to the shareholders for submitting questions regarding the meeting agenda to the Company in advance at csoffice@cpf.co.th or fax number 0-2638-2139, for the Board of Directors to consider and provide full clarification to the shareholders' meeting. To reduce time spent in the registration process, the Company used a bar-code system and arranged adequate personnel to check the documentation of each attending shareholder.

Equitable Treatment of Shareholders

The Company's shareholders shall be treated equally and fairly based on their fundamental rights, whereas the Company has promoted equitable treatment of all shareholders. In the 2020 Annual General Shareholders' Meeting, **the shareholders were given opportunities to nominate qualified individuals for being election as directors in advance** for more than 3 months before the end of the fiscal year, which was September 30, 2019. In this regard, the Board of Directors determined the criteria, channels, and timing for submitting the matters and had them posted on the Company's website for shareholders' information.

A proxy form with which shareholders can make comments regarding their votes, as prescribed by the Ministry of Commerce, was sent to shareholders and made downloadable on the Company's website. Audit committee members are nominated as alternative proxies for shareholders who are unable to attend the meeting in person. Shareholders are able to submit the proxy forms and relevant documents through the Company's Secretary Office.



Roles toward Stakeholders

The Company has several groups of stakeholders, namely shareholders, employees, customers, business partners, trade competitors, creditors, community, and society. All groups of stakeholders shall be fairly served by the Company according to their statutory rights and agreements with the Company. Should there be any damage; the Company shall provide proper indemnification to all parties concerned. The Company has established guidelines as set forth below.

1. The Company shall provide measures to indemnify stakeholders who sustain damage as a result of the Company's acting in violation of their statutory rights.
2. The Company shall open up to whistleblowing and complaints relating to any violation of law or the Company's ethics, which can be made through the Company's independent directors and audit committee members. The Company shall also provide measures to protect employees or persons who report any violation of law.
3. The Company shall provide procedures after complaint is received, whereas information received shall be verified and matters with material impact must be investigated and reported to the Board of Directors.
4. The Company shall prepare channels which stakeholders may lodge complaints relating to infringement of their rights, including providing contact details of the delegated persons clearly.
5. The Company shall promote communication and embed its objectives and major goals which shall be reflected through decision-makings and operations performed by employees of all levels.

In addition to overseeing the rights of all stakeholders in accordance with their rights prescribed by the law, the Company also **immediately responded to the crisis due to the outbreak of COVID-19** to mitigate potential impacts on all

stakeholder groups by establishing the "COVID-19 Monitoring and Management Center" and setting up 26 sub-centers to handle the situation and closely monitor the issues. At the same time, the online meeting in the form of VDO conference was held on a weekly basis.

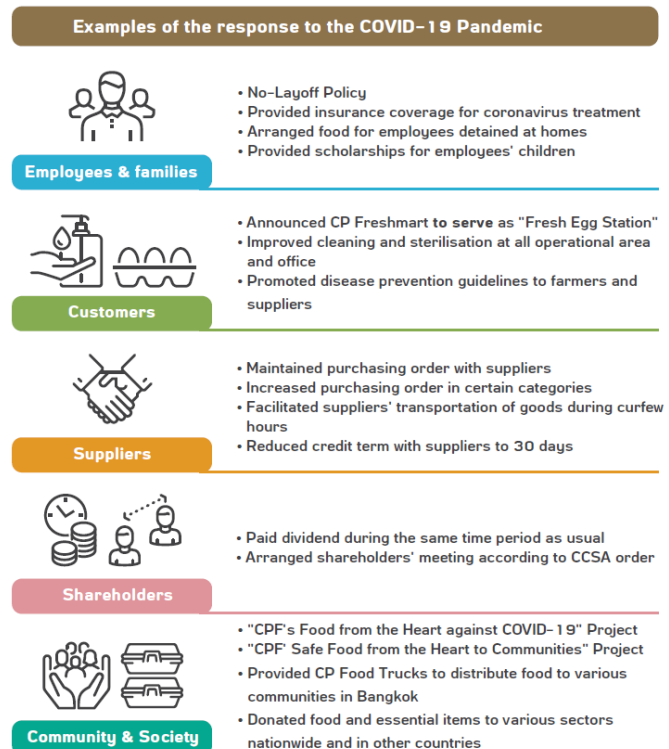
Employees and families: the Company promulgated a **No-Layoff Policy** due to the impact of the situation. Moreover, the Company has provided additional **insurance coverage** for COVID-19 treatment, including **food for vulnerable employees who have been detained at their homes**, and **scholarships for employees' children**. In addition, as one among the first Thai companies, the Company announced an **increase of employee safety to the highest level** and has applied strict hygiene measures in the entire work chain from employees' homes, their travelling back and forth, their actions during works, eating, social distancing and physical distancing. In this regard, the Company has used digital technology by filling travel information into the CPF Connect application to follow up on travel information.

Customers: the Company announced **CP Freshmart** serving as "Fresh Egg Station" by selling chicken eggs at regular prices after encountering egg shortage and expensive eggs. With regard to the production processes of farms and business establishments, the Company has **improved cleaning and sterilisation** in office areas, raw materials, production processes, packing rooms and equipment. All employees must strictly comply with the measures such as wearing masks, measuring body temperatures before working, and using hand sanitizer gels. All cargo vehicles must be washed and all wheels must be disinfected with disinfectants and goods delivery points have been prepared at goods receiving and distribution yards. Moreover, the Company has **promoted to farmers participating in the professional development program and suppliers to comply with disease prevention guidelines** according to international standards to ensure traceability throughout the supply chain.

Suppliers: the Company **does not reduce orders placed to the suppliers** and has increased orders of products in certain categories as well as **facilitated suppliers' transportation of goods during curfew hours** in accordance with the Declaration of an Emergency Situation pursuant to the Emergency Decree on Public Administration in Emergency Situations. Moreover, suppliers' credit terms have been reduced to mitigate the impact and enhance suppliers' liquidity.

Shareholders: the Company maintained equality of rights between shareholders and **protected the rights to receive dividends of the shareholders from being affected since the Annual General Shareholders' Meeting had been postponed** due to the outbreak of COVID-19. The second payment of dividend made on April 30, 2020 was quicker than the payment made in the previous year. In addition, the Company organised **the shareholders' meeting in accordance with the guidelines of the CCSA Order** by adjusting the meeting arrangement to be in line with the safety measures to reduce the risk of infection, along with **disclosing complete information continuously through various channels**.

Community and Society: the Company organised the "CPF's Food from the Heart against COVID-19" Project to motivate groups of people returning from high-risk countries to stay at home by delivering sufficient food for eating during the 14-day quarantine period to more than 20,000 people. The Company further expanded the target group and **delivered food to doctors and nurses of more than 200 hospitals and 20,000 families of doctors and nurses**. These served the needs in all target groups and supported the society to fight against the spread of COVID-19. In addition, in

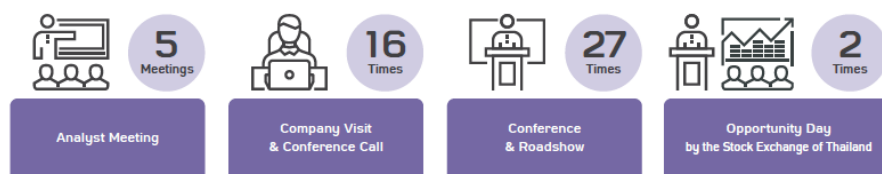


collaboration with the Ministry of Agriculture and Cooperatives, the Royal Thai Police and several government agencies, the Company provided CPF Food Trucks to distribute food to more than 100 communities in Bangkok, under the "CPF's Safe Food from the Heart to Communities" Project, including bringing hot and ready-to-eat food to alleviate the troubles of people, i.e. taxi drivers and motorcycle taxi drivers, etc. Furthermore, the Company had also donated fresh food, ready-to-eat meals, frozen meals and drinking water, as well as essential items to agencies, organisations, temples, schools and various sectors nationwide and in many countries in which the Company has invested or has trading offices, such as Vietnam, Cambodia, Laos, Philippines, Turkey, the United States of America and Russia.

Information Disclosure and Transparency

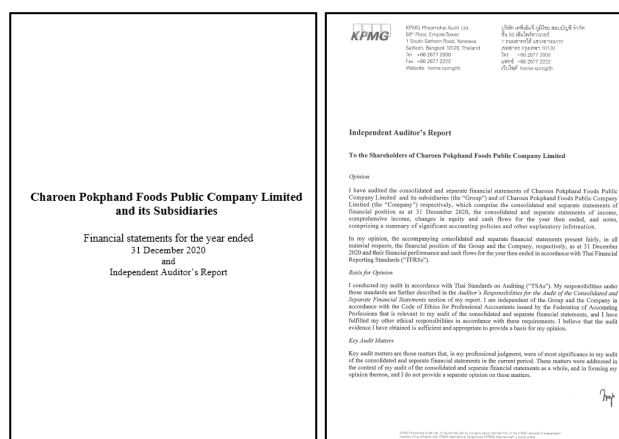
The Company respects the privacy of all stakeholders and places importance on protecting stakeholders' personal information from any misuse and keeps it safe in accordance with the information privacy law and international standards. The Company's Board of Directors assigned its Investor Relations and Capital Market Office to disseminate the Company's financial and general information to securities analysts and its investors. The Investor Relations and Capital Market Office also serves as a channel for interested investors to communicate with the Company. During the crisis caused by the spread of COVID-19, the Investor Relations and Capital Market Office has changed the form of analyst and investor meeting to be virtual meeting or by telephone. In the meantime, the

Company Secretary Office shall publish news and communicate with shareholders to provide equal, accurate and adequate information in a timely manner in



accordance with relevant rules, standards and practices. In addition, the Company also has a policy on management and disclosure of inside information which enables disclosure of material change that has a significant effect on the price or value of the securities to be made to the public correctly and complied with the relevant laws and regulations, whereas the Company's directors, executives, and employees have followed the policy in unison. The policy covers inside information management, nature of inside information that must be disclosed and methods for disclosure of inside information.

With regard to financial reporting, the Company prepares its financial statements in accordance with Thai Accounting Standards and Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions and including generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, whereas the Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries. In the meantime, estimates and underlying assumptions are prudently made and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and beneficial to shareholders and investors.



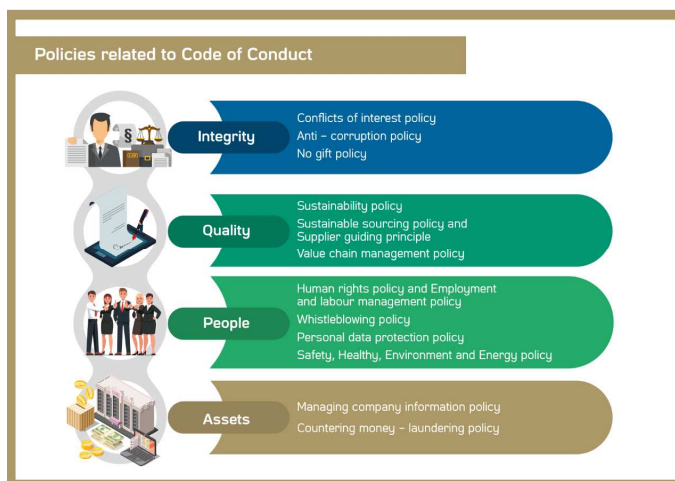
In relation to the product information, the company shall conduct sales and marketing responsibly and honestly, whereas the information used for product promotion and advertising purposes as well as any communication on behalf of the Company must not be inaccurate or cause misunderstanding. Taking into consideration subtle differences in cultural traditions of various countries, all relevant facts and information are explained honestly and transparently and conformed to relevant laws and regulations in each country.

6.2 Code of Conduct

CPF Code of Conduct covers fundamental principles and operating guidelines for all directors and employees of the Company, which shall be adhered and carried out mutually and appropriately by all according to the Company's anticipations. It addresses the Company's business principles, corporate values, compliance-based business ethics and

regulatory compliance, including operational supervisions to meet the anticipations accordingly, for of which for benefits of standardized work performances of all directors and employees based on morality and integrity. Detail in this Code of Conduct does not cover every specific circumstance, but shall serve as guidelines for particular manner decisions to ensure correctness and appropriateness of the decision made under each circumstance. The Company's directors and employees therefore shall:

- understand the principles and practices, especially matters related to duties and responsibilities of each person,
- consult superiors or work units relevant to such regulations or policies in case of uncertainty whether any action is conformed to the CPF Code of Conduct or not,
- communicate with subordinates or related parties to ensure understanding according to the CPF Code of Conduct, and
- conduct whistleblowing through channels determined in CPF Code of Conduct or relevant policies when experiencing



improper action against the CPF Code of Conduct and cooperate with investigations undertaken, whereas such whistleblower shall be protected according to the Company's policy.

To ensure that all employees shall comply with the same business ethical standard, the Company has therefore set up a total of 12 related policies which are divided into 4 categories including: (1) Morality; (2) Quality; (3) Personnel; and (4) Asset. Investors can study the aforementioned business ethics disseminated on the Company's website at <https://www.cpfworldwide.com/en/investors/report-56-1-2020/cgpolicy-coc>.

6.3 Major Changes and Developments of Implementation of Corporate Governance in 2020

The Company recognises social change and all stakeholders' requirements. Therefore, the Board of Directors places importance on reviews of policies, practices, systems and implementation of corporate governance. In 2020, the Company had performed as follows:

- **Improved the Corporate Governance Policy, Code of Conduct and the Personal Data Protection Policy** in accordance with the Personal Data Protection Act, B.E. 2562 (2019);
- Reviewed and prepared **charters for all sub-committees** to clearly define scopes of responsibilities;
- **Enhanced the Audit Committee's roles and responsibilities** to cover the organisation's risk management supervision in order to review suitability of the risk assessment system, the risk control system and the risk monitoring and reporting system;
- The Remuneration and Nominating Committee had **reviewed the criteria for determining qualifications of the Company's directors in terms of skills, knowledge, expertise, and experiences of the Board (Board Skills Matrix)** in accordance with the Company's business goals, whereas **risk management expertise, management and personnel management** were determined as the ones among specialized knowledge and expertise that the Board of Directors (Board Skills Matrix) should have;
- Developed the performance appraisal form of the Company's directors, both the individual director and the Board, to better reflect and enhance the performance of the directors;
- **Appointed the Technology and Cyber Security Committee** to provide effective and efficient supervision on the Company's uses of and investments in technology and cyber security and in line with future business goals, which support the Board of Directors in formulating long-term strategies and risk management in this area;
- **Prepared online learning materials about code of conduct and sustainability**, whereas all employees must attend the trainings and be evaluated;
- Established **internal communication plans on anti-corruption and accepting gift, etc.**;

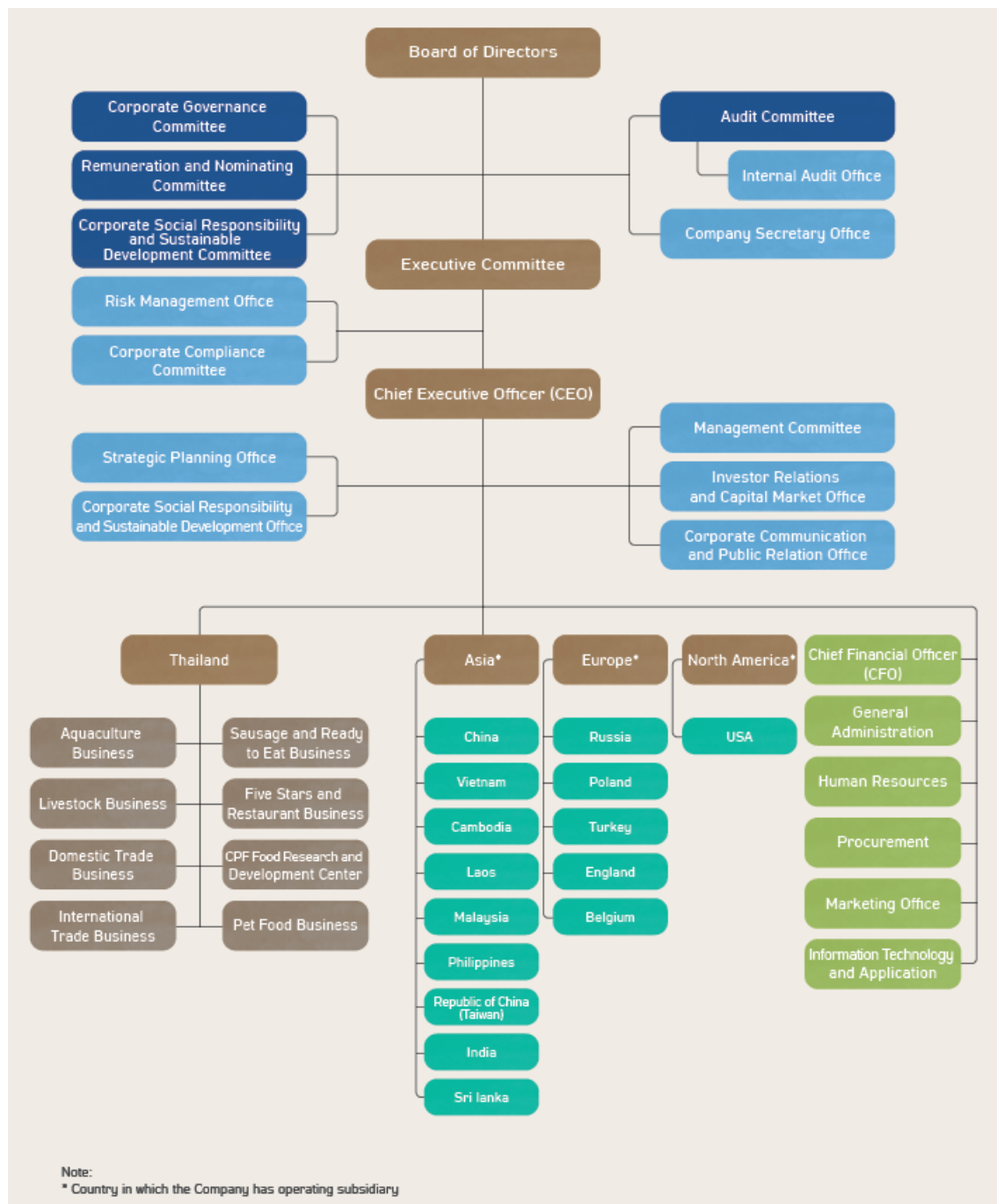
- Conducted an **employee engagement survey** in order to determine guidelines for improving and enhancing employee engagement since employees play a key role in driving the organisation towards sustainability;
- Compared corporate sustainability and corporate governance scores rated by external organisations; and
- During the outbreak of COVID-19, the Company had set up guidelines for managing and taking care of all stakeholders. This included the management of work processes to be in line with the situation and for employee hygiene.

Nonetheless, there were certain principles of conduct according to the CG Code that the Company was still unable to implement in 2020, which included:

1. The composition of the Board of Directors with more than 12 directors
At present, the Company has 15 directors who are qualified persons having skills, expertises and experiences appropriate for driving the organisation according to the missions determined. The Company considers that the composition of the Board of Directors is suitable for the nature of the business that has investments in 17 countries as well as the size of the Company's revenue.
2. The Chairman of the Board of Directors is not an independent director
The Company has clearly determined guidelines on conflicts of interest. The authorities have been given to independent directors for convening of meetings without participations of other directors or executives in considerations of matters deemed appropriate by independent directors, which are to be proposed to the Board of Directors.
3. The Board of Directors considers that the structure of the Board of Directors which consists of 5 independent directors, 4 non-executive directors and 6 executive directors are the composition that has appropriate balance in expressing opinions and voting at meetings.

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others^{/60}

7.1 The Company's management structure as of December 31, 2020



^{/60} "Company" referred to in Part 2, Clause 7.2 to 7.3, means Chareon Pokphand Foods Public Company Limited or CPF

7.2 Board of Directors

As of December 31, 2020, CPF's Board of Directors consisted of the following 15 directors:

Name	Surname	Position
1. Mr. Soopakij	Chearavanont	Chairman ⁽¹⁾
2. Mr. Chingchai	Lohawatanakul	Vice Chairman ⁽¹⁾
3. Mr. Adirek	Sripratak	Vice Chairman ⁽¹⁾
4. Mr. Phongthep	Chiaravanont	Vice Chairman ⁽¹⁾
5. Mr. Suphachai	Chearavanont	Vice Chairman ⁽¹⁾
6. Mr. Rungson	Sriworasat	Director ⁽²⁾
7. Professor Dr. Pongsak	Angkasith	Director ⁽²⁾
8. Pol. Gen. Phatcharavat	Wongsuwan	Director ⁽²⁾
9. Mrs. Vatchari	Vimooktayon	Director ⁽²⁾
10. Mr. Vinai	Vittavasgarnvej	Director ⁽²⁾
11. Mrs. Arunee	Watcharananan	Director ⁽¹⁾
12. Mr. Prasit	Boondoungprasert	Director ⁽¹⁾
13. Mr. Siripong	Aroonratana	Director ⁽¹⁾
14. Dr. Sujint	Thammasart, D.V.M.	Director ⁽¹⁾
15. Mr. Paisan	Chirakitcharearn	Director ⁽¹⁾

Remarks ⁽¹⁾ Authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed

⁽²⁾ Independent director

Mrs. Kobboun Srichai is the Company Secretary.

Composition of the Board of Directors

As stipulated in the Company's Article of Association, the Company's Board of Directors must consist of at least 5 directors and at least half of the directors must be resident in Thailand.

As of December 31, 2020, the Company's Board of Directors comprised 5 independent directors (equal to 1/3 of the total number of directors), 6 executive directors and 4 non-executive directors. The Board of Directors appoints the Chairman and Vice Chairman.

Roles and Responsibilities of the Board of Directors

The Board of Directors have been entrusted by shareholders to manage the Company's business honestly and fairly, as indicated in the Objects of the Company and in compliance with the Articles of Association of the Company, as well as all resolutions made at shareholders' meetings and according to relevant regulations. The Board of Directors may assign one or several directors, or any other person, to perform any act on its behalf provided that a clear indication of roles and responsibilities is given to the assigned person.

The Board of Directors has the duty to supervise the management to operate the business in accordance with the objectives, strategies and the operational plan approved by the Board of Directors, in the best interests of the Company and all stakeholders. The Board of Directors will assign the authority, duties and responsibilities relating to daily managerial tasks to President. These authorities and duties must be clearly separated from the authorities and duties of the Chairman of the Board of Directors. The Board of Directors may appoint various committees to supervise specific areas of operation, and engage external experts or advisors to provide opinions or advice on matters relating to the Company's business operations, as necessary and appropriate, at the Company's expense.

In addition, the Board of Directors appoints the Company Secretary to counsel and assist the Board of Directors to ensure its compliance with legal rules and regulations, as well as corporate governance. The Company Secretary is also required to coordinate and take appropriate care of the Company's shareholders on an equal basis.

Roles and Responsibilities of Chairman of the Board of Directors

- (1) To consider the meeting agenda of the Board of Directors;
- (2) To take the chair at the Board of Directors meeting and allocate sufficient time for the management to present matters, and the directors to thoroughly discuss, as well as encourage the exercise of prudent discretion;

- (3) To give the casting vote in the case of the votes of the Board are tied; and
- (4) Perform the duty specified by law as the duty to be performed by the Chairman.

Roles and Responsibilities of the Board of Directors

- (1) To perform its duties in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of shareholders meetings, with due accountability, care and integrity;
- (2) To determine the major policies for business operations, as well as the policies relating to finance, mobilization of funds, funds management, management of the Company's risks, allocation and management of information technology, and to supervise the management for the implementation of these policies in an efficient and effective manner;
- (3) To consider and approve the Company's vision and mission, and cause a review thereof every year;
- (4) To consider and approve the Company's objectives, strategies and business plans as well as conduct a review thereof every year, and to monitor the results of the implementation of those prescribed plans;
- (5) To consider and approve matters other than those which are within the authority delegated to the President, or matters which must be approved by the Board of Directors or a shareholders meeting as prescribed by the law or the relevant rules or procedures of the Company;
- (6) To set up an internal control system covering the areas of business operations, financial reporting and compliance with the laws and the Company's rules, policies and procedures. In this regard, the Internal Audit Office has the duty to audit the compliance with this internal control system, and make a report to the Audit Committee. The Board of Directors will evaluate the risk management system and assess the adequacy and appropriateness of the internal control system on a yearly basis, and will review the significant systems at least once a year. The Board of Directors will also provide its opinions thereon in the annual report;
- (7) To promote innovation and the use of technology to enhance competitiveness with responsibilities to social and environmental matters and ensure that management take it into their consideration when reviewing the Company's strategies;
- (8) To assess the compliance with corporate governance policy and conduct a review thereof at least once a year;
- (9) To appoint Chief Executive Officer (CEO), to supervise and ensure that CEO performs his duties in accordance with the Company's corporate governance policy and the scope of authority delegated by the Board of Directors, and to conduct an annual evaluation of CEO's performance in order to support the determination of his remuneration;
- (10) To appoint directors or executives to serve as directors of the subsidiaries in order to oversee their operations in accordance with their investment objectives;
- (11) To appoint the Company Secretary who is to be responsible for all matters as required by the law;
- (12) To appoint the Audit Committee, the Executive Committee and other committees, such as the Remuneration and Nominating Committee, in order to assist the Board of Directors in supervising the business with a view to achieving the prescribed objectives. The majority of the committee members shall be independent directors. The chairmen of the committees must be independent directors; and
- (13) To set up a plan for director and management development, as well as a succession plan.

7.3 Sub-Committee

Audit Committee

CPF's Audit Committee has been appointed by the Board of Directors. The current Audit Committee term is for a period of three years which expires on December 23, 2023. As of December 31, 2020, the members of the Audit Committee are the following four independent directors:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Audit Committee
2. Professor Dr. Pongsak	Angkasith	Member of the Audit Committee
3. Mrs. Vatchari	Vimooktayon	Member of the Audit Committee
4. Mr. Vinai	Vittavasgarnvej	Member of the Audit Committee

Ms. Wipawan Pramoonkwandee, Head of Internal Audit and Risk Management Department, serves as Ex Officio Secretary of the Audit Committee (appointed on September 9, 2020).

Mr. Rungson Sriworasat, Mrs. Vatchari Vimooktayon and Mr. Vinai Vittavasgarnvej, three members of the Audit Committee, have excellent knowledge, understanding and experience in matters of accounting and finance, as well as changing financial regulations which require changes in the nature of the financial report. The Audit Committee can seek advice from an independent specialist if necessary.

The terms of service of the committee members is for a period of three years, as this ensures a greater degree of continuity in the work undertaken by the Audit Committee. Moreover, any retiring member of the committee can be re-appointed for another term of membership. If any committee member wishes to resign before the expiration of his/her period of service, s/he is required to provide one month's notice of such resignation in writing. New committee members who replace resigning committee members assume the remaining period of service of the member who resigns.

The Audit Committee has to conduct meetings at least four times in any one-year period. At each Audit Committee meeting, the Audit Committee is empowered to invite Chief Executive Officer (CEO), Chief Operating Officer, Chief Financial Officer, executives, auditor and Head of the Internal Audit Office to attend, for clarification purposes. The Audit Committee also meets the Company's External Auditor at least once a year and without management in attendance. During 2020, the Audit Committee held 10 meetings and met the External Auditor without management in attendance 4 times.

Roles and Responsibilities of the Audit Committee

The Board of Directors has identified the roles and responsibilities of the Audit Committee in order to comply with the Notification of the Stock Exchange of Thailand Re: Qualification and Scopes of Duties of the Audit Committee 2008 dated June 9, 2008, as follows:

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate;
- (2) To review the Company's internal control and internal audit to ensure that they are suitable and efficient;
- (3) To review that the Company and the senior management strictly adhere to risk management policy, strategies and risk appetite;
- (4) To review the adequacy and efficiency of overall risk management policy, strategies and risk appetite at least once a year or upon any significant change;
- (5) To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand and the laws relating to the Company's businesses;
- (6) To determine the independence of the Internal Audit Office, as well as to approve the appointment, transfer, dismissal and to evaluate the performance of the Head of Internal Audit Office;
- (7) To consider, select and nominate independent persons to serve as the Company's external auditors, to propose their remuneration, to dismiss the Company's external auditors and to attend the meeting with the external auditors without the management at least once a year;
- (8) To review related-party transactions and any transactions that may involve a potential conflict of interest so as to ensure that they are in compliance with the law and the regulations of the Stock Exchange of Thailand, and are reasonable and in the best interests of the Company;
- (9) To prepare a report of the Audit Committee which is signed by the Chairman of the Audit Committee and published in the Company's annual report. This report must contain at least the following information:
 - (9.1) a commentary on the accuracy, completeness and creditability of the Company's financial report;
 - (9.2) a commentary on the adequacy and efficiency of the Company's internal control system;
 - (9.3) a commentary on the efficiency and effectiveness of the overall Company's risk management;
 - (9.4) a commentary on compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business;
 - (9.5) a commentary on the suitability of the external auditors;
 - (9.6) a commentary on transactions that may involve potential conflicts of interest;
 - (9.7) the number of audit committee meetings and the number times of attendance at such meetings by each audit committee member;

- (9.8) a commentary or overview of the Audit Committee on the performance of its duties in accordance with the audit committee charter; and
- (9.9) the details of any transactions which, in the Audit Committee's opinion, should be known to shareholders and general investors, provided that this must be within the scope of duties and responsibilities assigned by the Board of Directors; and
- (10) To perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

In performing its duties within the scope specified above, the Audit Committee shall be directly responsible to the Board of Directors. Nonetheless, the Board of Directors shall remain responsible to third parties for the acts of the Company.

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 will expire on April 1, 2021. As of December 31, 2020, the Remuneration and Nominating Committee comprises four members: two members are independent directors, one member is non-executive director and the remaining is an executive director, as follows:

Name	Surname	Position
1. Pol. Gen. Phatcharavat	Wongsuwan	Chairman of the Remuneration and Nominating Committee
2. Mr. Suphachai	Chearavanont	Vice Chairman of the Remuneration and Nominating Committee
3. Professor Dr. Pongsak	Angkasith	Member of the Remuneration and Nominating Committee
4. Mr. Adirek	Sripratak	Member of the Remuneration and Nominating Committee

The Company Secretary serves as Ex Officio Secretary of the Remuneration and Nominating Committee.

The Board of Directors appoints the Chairman of the Remuneration and Nominating Committee, where the Remuneration and Nominating Committee term is for a period of three years, so as to ensure a degree of continuity in its work. The period of service can be changed subject to approval from the Board of Directors. Furthermore, a retiring committee member may be re-appointed for another term, if this is approved by the Board of Directors. If any committee member wishes to resign before the expiration of his/her term of service, he/she should provide one month's written notice.

Roles and Responsibilities of the Remuneration and Nominating Committee

- (1) To establish the rules and process for nominating individuals qualified to be the Company's directors and member of the Audit Committee;
- (2) If there is a vacancy on the Board of Directors or the Audit Committee, to propose an individual qualified to fill such vacancy to the Board of Directors for its consideration;
- (3) To review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes;
- (4) To conduct an annual evaluation of the performance of the Board of Directors, and to report such evaluation to the Board of Directors;
- (5) To establish and review the policy and guidelines relating to directors' remuneration which is suitable for their responsibilities, and commensurate with the prevailing level of the industry and the benefits expected from them whereby the Company's operating results and the directors' duties and responsibilities are taken into account. Such policy and guidelines must also be in accordance with the policy established by the Board of Directors Any proposed change in the remuneration, from that which has been approved by a shareholders meeting, must be submitted to the Board of Directors for its consideration and then to a shareholders meeting for its approval; and
- (6) To perform any other tasks relating to its duties and responsibilities, as requested by the Board of Directors.

To efficiently perform and accomplish its duties and responsibilities as assigned by the Board of Directors, the Remuneration and Nominating Committee shall meet at least twice a year to consider, discuss any matters and take any action according to its duties and responsibilities. The Remuneration and Nominating Committee may invite other parties such as independent advisor to attend the meetings as appropriate. During 2020, the the Remuneration and Nominating Committee held 3 meetings.

Corporate Governance Committee

The current CPF's Corporate Governance Committee term is for a period of three years, which will expire on January 16, 2022. As of December 31, 2020, the Corporate Governance Committee comprises three members: two members are independent directors, and the remaining is an executive director, as follows:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Corporate Governance Committee
2. Mr. Vinai	Vittavasgarvej	Member of the Corporate Governance Committee
3. Mr. Adirek	Sripatak	Member of the Corporate Governance Committee

The Company Secretary serves as Ex Officio Secretary of the Corporate Governance Committee.

Roles and Responsibilities of the Corporate Governance Committee

- (1) To establish and propose the corporate governance scope and policy to the Board of Directors for its approval;
- (2) To propose the guidelines and give advice on corporate governance to the Board of Directors;
- (3) To review, jointly with the directors and the management, the compliance with corporate governance policy;
- (4) To regularly review the corporate governance guidelines by comparing them with international practices, and to propose revisions thereof to the Board of Directors for the purpose of enhancing efficiency and effectiveness; and
- (5) To report the results of assessment of the compliance with corporate governance policy to the Board of Directors at least once a year.

During 2020, the Corporate Governance Committee held 2 meetings.

Corporate Social Responsibility and Sustainable Development Committee

The current CPF's Corporate Social Responsibility and Sustainable Development Committee term is for a period of three years, which will expire on November 16, 2021. As of December 31, 2020, the Corporate Social Responsibility and Sustainable Development Committee comprises four members: two members are independent directors, one member is non-executive director and the remaining member is executive director, as follows:

Name	Surname	Position
1. Professor Dr. Pongsak	Angkasith	Chairman of the Corporate Social Responsibility and Sustainable Development Committee
2. Pol. Gen. Phatcharavat	Wongsuwan	Member of the Corporate Social Responsibility and Sustainable Development Committee
3. Mr. Adirek	Sripatak	Member of the Corporate Social Responsibility and Sustainable Development Committee
4. Mr. Suphachai	Chearavanont	Member of the Corporate Social Responsibility and Sustainable Development Committee

Mr. Wuthichai Sithipreedanant is the Secretary of the Corporate Social Responsibility and Sustainable Development Committee.

Roles and Responsibilities of the Corporate Social Responsibility and Sustainable Development Committee

- (1) To establish and propose the social responsibility and sustainable development policy and direction to the Board of Directors for its approval;
- (2) To support social responsibility and sustainable development activities by participating in a meeting in order to provide the guidelines and monitor the tasks in accordance with the prescribed timeframe;
- (3) To consider and assess the results of implementation of the social responsibility and sustainable development, to give advice for the development, and to make a report to the Board of Directors at least once a year;
- (4) To approve the report on social responsibility and sustainable development for public disclosure; and
- (5) To appoint a social responsibility and sustainable development sub-committee as considered appropriate.

During 2020, the Corporate Social Responsibility and Sustainable Development Committee held 2 meetings.

Executive Committee

Executive Committee, appointed by the Board of Directors, has the duty to supervise and oversee the management to ensure that the businesses are efficiently and effectively conducted according to the Company policy and the objectives. As of December 31, 2020, the members of CPF's Executive Committee are as follows:

Name	Surname	Position
1. Mr. Adirek	Sripratak	Chairman of the Executive Committee
2. Mr. Sooksunt	Jiumjaiswanglerg	Vice Chairman of the Executive Committee
3. Mr. Sukhawat	Darnsermsuk	Vice Chairman of the Executive Committee
4. Mrs. Arunee	Watcharananan	Vice Chairperson of the Executive Committee
5. Mr. Prasit	Boondoungprasert	Member of the Executive Committee
6. Dr. Sujint	Thammasart, D.V.M.	Member of the Executive Committee
7. Mr. Paisan	Chirakitchareon	Member of the Executive Committee
8. Mr. Siripong	Aroonratana	Member of the Executive Committee
9. Mr. Voravit	Janthanakul	Member of the Executive Committee
10. Mrs. Kobboon	Srichai	Member of the Executive Committee

At meetings, the Executive Committee can invite other people, such as management representatives and/or external advisors, to attend the meeting as necessary.

Authorities of the Executive Committee⁶¹:

The Executive Committee has authorities to approve the following matters

- (1) The establishment of new subsidiaries with registered capital not more than Baht 800 million;
- (2) The acquisition by CPF or subsidiaries
 - (a) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is not exceed Baht 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;
 - (b) Merger or acquisition in terms of assets acquisition where the value is not exceed Baht 800 million;
 - (c) Investment or shareholding restructuring within the group by means of sale and purchase of shares or businesses or merger within the group;
- (3) Capital Expenditure
 - (a) Capital expenditure of CPF or subsidiaries, where the value of the project is more than Baht 100 million but not exceed Baht 800 million;
 - (b) Capital expenditure of CPF or subsidiaries already approved, where the value of the project is more than Baht 100 million but not exceed Baht 800 million and the expenditure is 10% over the approved budget
 - (c) The transactions requiring registration with Land Office, i.e.
 - (c1) Purchase or be transferred immovable properties according to the capital expenditure approved by the Board of Directors or Executive Committee, as the case may be;
 - (c2) Sell or transfer immovable properties as approved by the Board of Directors or Executive Committee, as the case may be;
 - (c3) Lease or let immovable properties which is ordinary course of business or supporting ordinary course of business;
- (4) Treasury and Accounting
 - (a) Accept trade finance / working capital facilities between CPF and commercial banks;
 - (b) Provide or accept long-term financial assistance between CPF and its subsidiaries;
 - (c) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than Baht 100 million but not exceed Baht 800 million;

⁶¹ Approved by the Board of Directors' meeting No. 7/2019, dated December 13, 2019.

- (5) Personnel
 - (a) Appointment of directors of subsidiaries and associates, according to the principles approved by the Board of Directors
 - (b) Human resource development plan and succession plan, appointment and rotation, performance assessment criteria, determination and adjustment of salary and other benefit of Chief Operating Officer and Head of Business Unit level;
- (6) Governance
 - (a) Annual compliance plan for the group;
 - (b) The issue of consolidated and separate financial statement for the year and quarter of CPF;
 - (c) The appointment of representative to attend shareholders' meeting of direct subsidiaries.

Primary Responsibilities of the Executive Committee^{/62}:

- (1) To scrutinize the following matters before they are submitted to the Board of Directors of CPF or subsidiaries or sub-committees (as the case may be) for approval
 - (a) Corporate strategies, goals & long-term business plan and annual budgets of the group;
 - (b) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is more than Baht 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;
 - (c) Merger or acquisition in terms of assets acquisition where the value is more than Baht 800 million;
 - (d) The capital expenditure of CPF or its subsidiaries, where the value of the project is more than Baht 800 million;
 - (e) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than Baht 800 million;
 - (f) Propose the qualified person to be appointed as the CEO of CPF;
 - (g) Annual risk management plan for the group;
- (2) To monitor the the following matters performed by management team
 - (a) The performance according to the goal, long-term business plan and annual budget of CPF or its subsidiaries ;
 - (b) The progress of investment project and its actual performance compared to the budget of each project;
 - (c) The progress of human resources development plan;
- (3) To conduct an annual evaluation of the performance of the top management;
- (4) To report matters which approved by Executive Committee as assigned by the Board of Directors;
- (5) To perform any other tasks as requested by the Board of Directors.

7.4 Executives

As of December 31, 2020, CPF's executives comprises the following:

- | | |
|---|---|
| 1. Mr. Prasit Boondoungprasert ^{/63} | Chief Executive Officer (CEO) |
| 2. Mr. Siripong Aroonratana ^{/63} | Chief Operating Officer - Livestock Business
Chief Operating Officer – Sausage and Ready-to-eat Business |
| 3. Dr. Sujint Thammasart, D.V.M. ^{/63} | Chief Operating Officer - Aquaculture Business |
| 4. Mr. Sathit Sangkanarubordee ^{/63} | Chief Operating Officer – Five Stars and Restaurant Business |
| 5. Mr. Paisan Chirakitchareem ^{/63} | Chief Financial Officer |
| 6. Mr. Rewat Hathaisattayapong | Executive Vice President - Livestock Feed Business |
| 7. Mr. Somporn Jermpong | Executive Vice President - Pig Business |
| 8. Mr. Narerk Mangkeo | Executive Vice President – Instant Food Business |
| 9. Mr. Sujarit Mayalarp | Executive Vice President - Domestic Trade Business |

^{/62} Approved by the Board of Directors' meeting No. 7/2019, dated December 13, 2019.

^{/63} In accordance with the definition stipulated in Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

10. Mr. Anat	Julintron	Executive Vice President - International Trade Business
11. Mr. Somkid	Wannalukkhee	Senior Vice President - Egg Business
12. Mr. Tanapol	Sagulwiwat	Senior Vice President - Duck Business
13. Dr. Ming Dang Chen		Executive Vice President - Aquatic Research and Development
14. Mr. Pairoj	Apiruknosit	Executive Vice President - Aqua Integrated Business Thailand Area
15. Mr. Robins	Mcintosh	Executive Vice President - Aquatic Breeding Business
16. Mr. Voravit	Janthanakul	Executive Vice President - General Administration Unit
17. Mr. Sunsern	Samaisut	Executive Vice President - Information Technology and Application Unit
18. Dr. Sommai	Tachasirinugune	Executive Vice President – Quality Assurance Unit
19. Mr. Virote	Kumpeera	Executive Vice President - Agro-Industry Technology and Innovation Unit
20. Mr. Anurat	Suthamnirun	Executive Vice President - Food Product Engineering Unit
21. Mr. Nattawat	Chunhawuttiyanon	Executive Vice President - Investment and Business Development Unit
22. Ms. Pimonrat	Reephattanavijtkul	Executive Vice President - Human Resources Unit

Executives who are responsible for International area comprises the following:

1. Mr. Bai Shanlin		China
2. Mr. Montri	Suwanposri	Vietnam
3. Mr. Nich	Shaw	United Kingdom
4. Mr. Thong	Chotirat	Republic of China (Taiwan)
5. Mr. Chainan	Nuphet	India - Livestock Business
6. Mr. Wichit	Kongkheaw	India - Aquaculture Business
7. Mr. Thomas	Smith	United States
8. Mr. Preeda	Chunwong	Cambodia
9. Mr. Thomas	Norgaard	Russia
10. Mr. Buree	Srina	Russia - Livestock Business
11. Mr. Paradon	Jinkunthong	Turkey
12. Mr. Sakol	Cheevakoset	The Phillippines - Livestock Business
13. Mr. Udomsak	Aksornphakdee	The Phillippines - Aquaculture Business
14. Mr. Santipharp	Seesuwannhip	Malaysia - Livestock Business
15. Mr. Wirat	Phothiphan	Malaysia Aquaculture Business
16. Mr. Thamnong	Pholthongmak	Laos
17. Mr. Michael	Tops	Belgium
18. Mr. Habeeb Mohamed Ziauddin		Sri Lanka
19. Mr. Marcin	Swiac	Poland

Roles and Responsibilities of Chief Executive Officer (CEO)

Chief Executive Officer (CEO), who holds the highest management position in the Company, is appointed by the Board of Directors to manage the operations of the Company, so as to achieve the Company's objectives and goals agreed by the Board of Directors. He is responsible for proper governance of the Company with fairness, to achieve maximum benefits for all stakeholders as well as to oversee the disclosure of the Company's general and financial information according to best practices. In addition, CEO has authority for carrying out any duties according to the Company's normal operation. However, CEO does not have authority in the following matters, which outline *'the limitations of CEO's authority'*:

- (1) To enter into transactions involving a potential conflict of interest which have not been approved by the Board of Directors and the Notification of the Capital Market Supervisory Board, which requires such transactions to be approved by either the Board of Directors or the Company's shareholders
- (2) To sell or write-off any assets from the accounting book must be approved by the Board of Directors or the Company's shareholders, in accordance with the financial principles of the Company.
- (3) To enter into any transaction with any person to provide or accept financial assistance, such as lending money, guaranteeing, providing assets as collateral, and other similar acts, with the exception of:

- 3.1 Short-term loans between the Company and subsidiaries in which the Company directly or indirectly holds at least 90% of the shares.
- 3.2 Short-term loans between subsidiaries in which there is no party connected with the Company who holds in excess of 10% of the shares in the subsidiaries.
- (4) To approve the annual budget or any additional investment budget during the year, where the value of the project is more than Baht 100 million.
- (5) To acquire or dispose of investments (held as equity or debt instruments) in any company that infringes the Company's financial principles must be approved by the Board of Directors or the Company's shareholders.
- (6) Any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting.

Compensation of Executives

The consideration on remuneration of executives and employees at all levels is based on results of performance assessment with organization indicators other than work achievement in terms of economic success. It includes sustainability indicators which comprise compliances with CPF VALUE and Code of Conduct, personnel development, social responsibility goals and environmental goals. The Board of Directors assigns the Executive Committee to determine criteria for the performance assessment and compensation, as well as salary adjustment and other benefits for Chief Operating Officer (COO) and top executives of major business lines.

Monetary remuneration Monetary remuneration in 2020 for 5 executives^{/64} amounted to a total of Baht 210 million, which included monthly salary and other benefits. Total CPF shares value held by the said executives / total executives' remuneration was 0.22 times.

Other remuneration - None -

7.5 Personnel

As of December 31, 2020, the Company had a total of 147,198 employees and workers who received remuneration in 2020 totaling Baht 61,654 million in form of salary, wages and other benefits. Number of employees and workers can be grouped according to the main business units as follows:

Major functions	Number of	
	Employees	Workers*
1. Operation units	46,278	84,890
2. Central units	14,007	2,023
Total	60,285	86,913

* Workers mean monthly workers, daily workers and part-time workers

7.6 Company Secretary

The Board of Directors Meeting, convened on February 18, 2019, passed a resolution to appoint Mrs. Kobboon Srichai to be the Company Secretary, effective from March 1, 2019, due to her experience as well as knowledge and understanding of the Company's businesses. She also possess adequate knowledge concerning finance, legal matters and regulations related to securities laws including other relevant laws to perform her role efficiently. The Company Secretary is responsible for (1) preparing and maintaining the profile of directors, (2) preparing and maintaining notice for and minutes of the meetings, the Company's Annual Reports, notice and minutes of shareholders meetings, (3) maintaining the directors' and executives' report on conflict of interest, and (4) performing other duties as required by the Capital Market Supervisory Board including supporting the Board of Directors in performing its roles and responsibilities (the qualifications of Company Secretary are shown in Attachment 1).

Bookkeeper

Mr. Santi Vitayapipopskul

^{/64} Compensation of executives with the definition stipulated in Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

Head of Internal Audit and Risk Management

Ms. Wipawan Pramoonkwamdee

Head of Compliance

Mr. Sunpeera Ninkham

Head of Investor Relations and Capital Market

Mrs. Kobbtoon Srichai

Auditor and Remuneration

The Audit Committee is responsible for selecting auditors and proposes to the Annual General Meeting of Shareholders for appointment, according to the rules of the Securities and Exchange Commission, by regular reviewing the qualifications of auditors include performance and remuneration. The Audit Committee, therefore, has criteria for auditor firm selection process which shall be taken on at least every seven accounting period. The latest selection process took place since the appointment of auditor for the accounting year 2018.

The Audit Committee reviewed base on the above criteria and opined to propose Mrs. Munchupa Singsuksawat C.P.A. (Thailand) Registration No. 6112, Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No. 4068, and Miss Sawitree Ongksirimemongkol C.P.A. (Thailand) Registration No. 10449 of KPMG Phoomchai Audit Limited as CPF's auditors for the year 2020 to the Annual General Shareholders' Meeting No.1/2020. The Meeting then approved as proposed.

The remunerations that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited and its related companies in 2020⁽¹⁾, were as follows:

(Unit : Baht)	CPF	Subsidiaries
1. The audit fees on company's accounts	3,445,000	95,380,222
2. Other audit fees on special projects	240,000	740,000
3. Other fees	432,200	90,330,104 ⁽²⁾

⁽¹⁾ The above fees excluded out-of-pocket expenses to be reimbursed by the Auditor

⁽²⁾ Comprised Due Diligence service fee, tax consulting service fee and others

8. Major Implementations of Corporate Governance

8.1 Summary of the Board of Directors' Performance in the Past Year

8.1.1 *Nomination, Development and Assessment of the Board's Performance*

Every board member of the Company currently has residence status in Thailand. They are experienced and understand the various obstacles that can arise in the course of the Company's business operations. They undertake their roles effectively and can create competitive advantage for the Company as well as provide beneficial insights into the Company's business operations and risks relating to the Company's businesses. Furthermore, every board member is fully qualified, which means that they all possess the qualifications that are stipulated by law, i.e. as laid down in the Public Company Limited Act and Securities Act. Every Independent Director is qualified in accordance with 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) as specified in Responsibilities of the Board of Directors in Corporate Governance Policy.

Shareholders have the right to vote for the appointment of directors according to the following rules:

1. The number of votes each shareholder has is commensurate with the size of their shareholding, i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/her votes among different individuals or groups.
3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
4. At shareholder's meetings, any director can be dismissed from the Board of Directors before the end of his/her term, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

There were 5 directors whose retirement coincides with the Annual General Shareholders' Meeting No. 1/2020, namely;

- | | |
|--------------------------|------------------|
| 1. Professor Dr. Pongsak | Angkasith |
| 2. Pol. Gen. Patcharavat | Wongsuwan |
| 3. Mrs. Arunee | Watcharananan |
| 4. Mr. Sooksunt | Jiumjaiswanglerg |
| 5. Mr. Sukhawat | Dansermisuk |

In this regard, the Remuneration and Nominating Committee had selected persons with specific knowledge and expertise required (Board Skills Matrix) to diversify the Board, including considering on educational qualifications and work experiences in both of the business and social sectors. Thus, with a unanimous resolution, the Remuneration and Nominating Committee proposed Professor Dr. Pongsak Angkasith, Pol.Gen. Patcharawat Wongsuwan and Mrs. Arunee Watcharananan to the shareholders' meeting to consider re-appointment as directors for another term, and Dr. Sujint Thammasart, D.V.M., Chief Operating Officer - Aquaculture Business, to be the director replacing Mr.Sooksunt Jiumjaiswanglerg, and Mr. Siripong Aroonratana, Chief Operating Officer - Livestock Business and Chief Operating Officer - Sausage & Ready Meal Business, to be the director replacing Mr. Sukhawat Dansermisuk. The Annual General Shareholders' Meeting No. 1/2020 approved accordingly. In addition, during 2020, Mr. Paisan Chirakitcharern, Chief Financial Officer, has been appointed to be the director replacing Mr.Pong Visespaitoon who resigned his position.

For the nomination of senior executive, the Board of Directors assigns the Executive Committee to be responsible for selecting qualified individuals by considering factors such as knowledge, competences and relevant experiences in business to hold senior executive positions.

The Company promotes the development of directors and executives by having them attend training courses continuously to enhance knowledge, whereas the Company is responsible for all expenses. In 2020, the Company had

provided the directors and executives knowledge on the Company's nature of business, such as new products, operating business with information technology, technology and cybersecurity implementation, and compliance, including knowledge on changing corporate governance principles, and relevant laws which include Personal Data Protection Act, along with the Company's operational guidelines on such matters. There were 3 directors participating in the trainings and seminars on the courses related to performing director duties, as follows:

- Professor Dr. Pongsak Angkasith Advanced Audit Committee Program No. 36/2020 by Thai Institute of Directors Association
- Mrs. Vatchari Vimooktayon Advanced Audit Committee Program No. 36/2020 by Thai Institute of Directors Association
- Mr. Paisan Chirakitcharern TFRS Update and Pratical Issues (December 23, 2020), KPMG Thailand

Regarding the director performance appraisal, the the Remuneration and Nominating Committee approved the revisions of the performance appraisal forms for the Board, the individual director and the committees. The assessment covers six major areas, i.e. (1) structure of the Board (2) roles and responsibilities of the Board (3) Board meetings (4) duties of director (5) relationship with management and (6) self-development of directors and executive development. The scoring can be classified into 4 levels :

More than 80%	Excellent
70%-80%	Good
60%-70%	Fair
Less than 60%	Needs improvement

The evaluation result of the performance of the Board as a whole for the year 2020 was Excellent. It can be concluded that structure and characteristics of the Board are appropriate for the nature of the Company's business and revenue size which enable the Board to perform its duty effectively. Meanwhile, Board of Directors paid much attention to consider various agendas and monitor the performance of previous approved investment projects as well as matters related to good corporate governance such as risk management, internal control/audit and compliance. Directors has discussed productively and respected different view without restraint and without conflicts among directors and management. In addition, the Board has also regularly undertaken self-development to enhance their knowledge in various topics that are beneficial to the business operations of the Company.

Individual director has to assess his/her performance covering two major areas, i.e. (1) director' knowledge and understanding, and (2) the performance of duties as a director. The assessment concluded that overall, all directors have knowledge and understanding of the roles and responsibilities as director. Directors have adequate knowledge and factors that will affect the Company's business to perform their duties prudently and appropriately.

In addition, evaluation of the performance of each sub-committee has been conducted and reported to the Board of Directors at least once a year.

8.1.2 Directors' Attendance and Remuneration

Directors' Attendance at the Meetings in 2020

Name	Surname	Number of Meetings Attended ⁽¹⁾						
		Board of Directors Meeting					Shareholders Meeting	
		Board of Directors	Audit Committee	Remuneration and Nominating Committee	Corporate Governance Committee	Corporate Social Responsibility and Sustainable Development Committee	AGM No. 1/2020 ⁽⁶⁾	EGM No. 1/2020
1. Mr. Soopakij	Chearavanont	12/13					Absent	Absent
2. Mr. Chingchai	Lohawatanakul	12/13					Absent	Absent
3. Mr. Adirek	Sripatak	13/13		3/3	2/2	1/2	Present	Present
4. Mr. Phongthep	Chiaravanont	13/13					Absent	Present
5. Mr. Suphachai	Chearavanont	11/13		2/3		1/2	Absent	Absent
6. Mr. Rungson	Sriwasart	13/13	10/10		2/2		Present	Present
7. Professor Dr. Pongsak	Angkasith	12/13	10/10	3/3		2/2	Absent	Present
8. Pol. Gen. Phatcharavat	Wongsuwan	13/13		3/3		2/2	Present	Present
9. Mrs. Vatchari	Vimooktayon	12/13	9/10				Present	Present
10. Mr. Vinai	Vittavasgarvej	13/13	10/10		2/2		Absent	Present
11. Mrs. Arunee	Watcharananan	13/13					Present	Present
12. Mr. Prasit	Boondoungprasert	13/13					Present	Present
13. Dr. Sujint	Thammasart, D.V.M. ⁽²⁾	6/6						Present
14. Mr. Siripong	Aroonratana ⁽²⁾	6/6						Present
15. Mr. Paisan	Chirakitchareem ⁽³⁾	5/5						Present
16. Mr. Pong	Visespaitoon ⁽⁴⁾	6/7					Absent	
17. Mr. Sooksunt	Jiumjaiswanglerg ⁽⁵⁾	7/7					Absent	
18. Mr. Sukhawat	Darnsermsuk ⁽⁵⁾	7/7					Absent	

Remarks ⁽¹⁾ The number of meeting attended is counted according to the term of office

⁽²⁾ Being appointed as a director effective from June 24, 2020

⁽³⁾ Being appointed as a director effective from July 8, 2020

⁽⁴⁾ Resigned from his position as a director with effect from June, 30, 2020

⁽⁵⁾ Retired by rotation at the Annual General Shareholders' Meeting No. 1/2020 (June 24, 2020)

⁽⁶⁾ Due to the outbreak of COVID-19, the Company organised the meeting room according to the Centre for COVID-19 Situation Administration's order, the number of seats therefore was limited. The Company then had prepared the number of seats as many as possible for the shareholders. There were 6 directors in attendance.

In addition to the above meetings, non-executive directors held 1 meeting, during 2020, to discuss matters relating to the Company's overall management, without any management personnel in such meeting.

Remuneration of the Board of Directors

Monetary remuneration The Annual General Shareholders' Meeting No. 1/2020 approved the remuneration for directors as follows:

(1) Monthly remuneration

The monthly remuneration for each director in accordance with the position in the Board of Directors is as follows:

Chairman	200,000 baht per month
Vice Chairman	150,000 baht per month
Director	100,000 baht per month

(2) Special remuneration

The special remuneration for entire Board of Directors is at the rate of 0.50% of annual dividend payment of each year. The special remuneration will be allocated at the discretion of the Board of Directors.

(3) Other remuneration

None

However, any director being the Company's employee or holding a position as a member of audit committee or other sub-committees shall receive the director's remuneration as above mentioned in addition to his salary as employee or remuneration as member of audit committee or other sub-committees, as the case may be. The remuneration for other sub-committees are as follows:

		(Unit : Baht)	
		Chairman	Member
1. Audit Committee	per month	450,000	200,000
2. Remuneration and Nominating Committee	per meeting	50,000	30,000
3. Corporate Governance Committee	per meeting	50,000	30,000
4. Corporate Social Responsibility and Sustainable Development Committee	per meeting	50,000	30,000

The monetary remuneration in 2020 of the Board of Directors amounted to a total of Baht 55.6 million, which included (1) monthly remuneration (2) estimated special remuneration in accordance with the dividend policy of CPF which may be uncertain subject to the dividend payment for the year 2020 to be approved by the Annual General Shareholders' Meeting No. 1/2021.

In addition, some directors also received remuneration as director of subsidiaries which amounted to Baht 3.8 million. Remuneration of the Audit Committee for 2020 was Baht 12.6 million. Details of these are given in the following table:

		2020			CPF shares value* held by each director / his (her) CPF director remuneration (times)
Name	Surname	CPF		Subsidiaries	
		Director	Audit Committee	Director	
1. Mr. Soopakij	Chearavanont	6,373,900	-	-	-
2. Mr. Chingchai	Lohawatanakul	4,606,450	-	-	140.50
3. Mr. Adirek	Sripatak	4,606,550	-	462,984	0.84
4. Mr. Phongthep	Chiaravanont	4,531,650	-	-	6.49
5. Mr. Suphachai	Chearavanont	4,609,650	-	-	-
6. Mr. Rungson	Sriworasat	3,071,000	4,800,000	-	-
7. Professor Dr. Pongsak	Angkasith	3,071,000	2,400,000	-	0.24
8. Pol. Gen. Phatcharavat	Wongsuwan	3,071,000	-	-	-
9. Mrs. Vatchari	Vimooktayon	3,025,400	2,400,000	-	-
10. Mr. Vinai	Vittavasgarnvej	3,220,000	2,400,000	-	-
11. Mrs. Arunee	Watcharananan	3,071,000	-	425,242	71.25
12. Mr. Prasit	Boondoungprasert	2,952,000	-	1,047,984	0.45
13. Dr. Sujint	Thammasart, D.V.M.	1,421,233	-	-	2.60
14. Mr. Siripong	Aroonratana	1,421,233	-	500,000	1.22
15. Mr. Paisan	Chirakitchareon	1,322,500	-	1,310,242	2.01
16. Mr. Pong	Visedpaitoon	1,703,000	-	-	N/A
17. Mr. Sooksunt	Jiumjaiswanglerg	1,703,000	-	-	N/A
18. Mr. Sukhawat	Dansermasuk	1,703,000	-	90,000	N/A

* Calculated from closing price on December 30, 2020

8.1.3 Supervision of Subsidiaries and Associate Companies' Operations

CPF has a policy to appoint a representative to serve as a director with controlling authority in a subsidiary to monitor and supervise the management of the subsidiary in accordance with various strategies and policies. In this regard, in the event that a company of which CPF is holding its shares hold a shareholder meeting, the CPF's Board of Directors shall consider voting on each agenda item, including appointing a proxy to attend the said meeting.

For a joint venture company, CPF shall govern in accordance with the mutual agreed strategies as stipulated in the joint venture agreement.

8.1.4 Monitoring Compliance with the Corporate Governance Policy and Practices

Prevention of Conflicts of Interest

The Company is committed to conducting business with honesty, integrity, transparency and responsibility for its operations. Therefore, to prevent improper use of authority or behaviour which may lead to self-exploitation and a conflict of interest that may damage the Company's reputation, **the Company therefore requires all employees to avoid any action which is a conflict of interest** and to report any potential conflicts of interest to their supervisors or related persons. A supervisor is responsible for informing Human Resources Office according to the guidelines determined by Human Resources Office.

With regard to the Board of Directors' meeting, **if any director has conflict of interest in the agenda being considered, such director shall immediately disclose the details of his/her conflict to the Board of Directors and shall not participate in participate in voting on such agenda.**

In 2020, the Company entered into related transactions which were (1) normal business transactions or supporting normal business which had general commercial terms and in accordance with the principles of entering into the transaction as prescribed in Section 89/12(1) of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which the Board of Directors approved in 2008, and (2) transactions that were not normal business or supporting normal business in accordance with the conditions prescribed in the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, Re: Rules on Connected Transactions for Transactions That Are not Normal Business or Supporting Normal Business, namely acquisition from connected persons the shares of the company incorporated in the People's Republic of China and engaged in swine breeding, farming, slaughtering and processing businesses and distributing swine in the People's Republic of China. The Company fully complied with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand, including appointing the independent financial advisor and seeking approval from the Company's shareholders' meeting.

Supervision of Inside Information Usage

All shareholders are to be treated equally and fairly in accordance with their fundamental rights. Therefore, the Company has a policy and guidelines on the use of Company's inside information for wrongful benefit of oneself or others, which may cause damage to the shareholders as a whole, including encouraging equal treatment of all shareholders, as follows:

1. The Company has a **policy on the management and use of inside information** with an aim to ensuring that significant information which may affect the price and value of its securities has been disseminated correctly, and in accordance with the relevant laws and regulations. Moreover, the policy also determine the proper measures to preserve the confidentiality of the information which all directors, executives and employees are obligated to strictly adhere. This policy includes the management and type of inside information as well as the method to disseminate such information publicly.
2. The Company has **prepared name lists of working groups' members undertaking projects that contain significant information which have not yet been disclosed to the stock exchange**. All persons who can access to internal information must strictly comply with the policy and regulations relating to the use of inside information.
3. The Company has the **rule on securities trading** which indicates that the Company's directors, executives and all persons who can access to inside information must prepare and submit a report on the holding, sale and purchase of securities issued by the Company within the period of time prescribed by the relevant law and regulations whenever there is a change. The Company Secretary Office must also report changes in the securities holdings of the directors and executives to the Board meeting on a quarterly basis and report changes in the securities holdings of the persons who can access to inside information to the Executive Committee meeting on a quarterly basis. In addition, the regulation on securities trading also clearly specify the blackout periods as follows: (1) since the following date after the end of each quarter until (include) the day which CPF discloses its quarterly financial performance (2) since the beginning of project containing significant information which have not yet been disclosed to the stock exchange which have not disclosed publicly until (include) the end of such project and (3) any other period that the Company Secretary might specify from time to time.

In the event that the Company's directors, executives or the persons who can access to inside information wish to sale and purchase securities issued by the Company, **they are required to notify the Company Secretary Office on such transactions at least 1 business day prior to the transaction date.**

In 2020, there was no violation of the policy and rules on the use of inside information.

Anti-Corruption

The Company strongly believes that conducting business with fairness, integrity, transparency, and responsibility for all groups of stakeholders shall be a primary support for sustainable business growth. The Company has joined as a partner in "Thailand's Private Sector Collective Action Coalition against Corruption" to demonstrate its commitment to the prevention and resistance of all forms of corruption as well as cooperation with the public sector, the civil society, mass media and international organisations in creating a clean business standard.

To conduct the business according to the aforementioned intent, the Company has established **the Anti-corruption Policy** in writing to be applied as the business framework for all departments. The Company's directors, executives and employees must not engage or accept any form of corruption, either directly or indirectly. The Anti-corruption is applied with all businesses and all departments. The Company **regularly audits the implementation of the Anti-corruption Policy as well as reviews the guidelines and operational requirements to be in line with changes in business, rules, regulations and legal requirements.** The investors can study the Company's Anti-corruption Policy disseminated on the Company's website at <https://www.cpfworldwide.com/en/investors/report-56-1-2020/cgpolicy-coc>. In this regard, the Company has **communicated the Anti-corruption Policy and related practices to employees at all levels through various forms and channels. It has been translated into 12 local languages** to cover communicating in every country in which the Company has invested.

In 2020, the Company had implemented the following anti-corruption actions:

1. Communicating the regulations in both Thai and English to employees for their acknowledgement on correct practices in various cases which are not contrary to the anti-corruption principle and in accordance with the Anti-corruption Policy, totalled 10 issues, via various channels such as email, intranet system (CPF Connect) and Facebook, etc.;



2. Conducting self-assessment on anti-corruption measures in order to extend the certification of membership in the Thailand's Private Sector Collective Action Coalition against Corruption (CAC); and
3. Joining the International Anti-Corruption Day (Thailand) 2020 online.

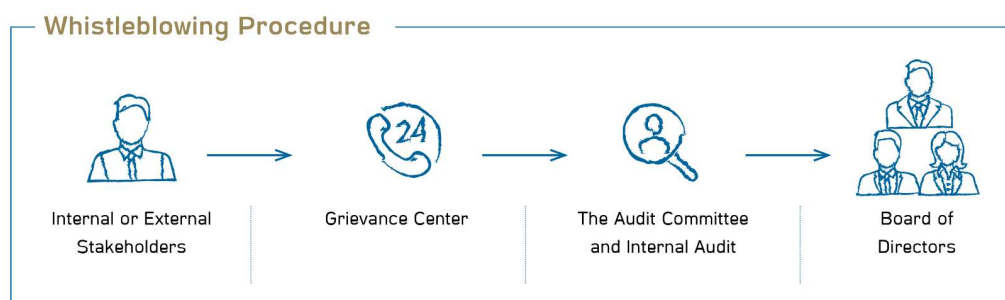


Whistleblowing

The Company has provided its employees, stakeholders or third parties with opportunities for whistleblowing or lodging complaints relating to any violation of law and code of conduct or corruption or infringement of rights through a wide range of channels, including independent directors and Audit Committee contact channels, as follows:

- Consumer Center Tel.: 0-2800-8000
E-mail: consumercenter@cpf.co.th
- Audit Committee Address: 1,1/1 Soi Yen Chit 2, Intersection 1, Sapsamut Building 2, 4th floor, Yen Chit Road, Thung Wat Don, Sathon, Bangkok 10120
Tel.: 0-2673-1105 and 0-2673-1092-3 Fax: 0-2673-1090
E-mail: iaoffice@cpf.co.th Website: <https://www.cpfworldwide.com/th/contact/form>

The Company shall protect complainants appropriately. Information relating to complaints shall be kept confidential and shall not be disclosed to unrelated person unless it is necessary to be revealed according to legal provision. The Company shall ensure fairness and protection of its employees who refuse to commit any act that is considered corruption.



The Audit Committee who is independent from management will consider and Internal Audit Office will examine all whistleblowing and complaints. In 2020, the number of whistleblowing and complaints that had been submitted to the Company via various channels was 156 matters. After investigation, the Company found that 2 of which were fraud and 15 of which were non-compliance matter or matters related to improper behavior. The Company had taken appropriate disciplinary actions against the offenders according to the Company's regulations as shown below. The matters occurred did not have significant impact on the Company's reputation or financial performance.

Type	No. of Matters	Disciplinary Actions			
		Verbal admonition	Written admonition	Suspension	Termination
1. Fraud	2	0	0	0	2
2. Non-compliance	15	9	5	0	1
3. Corruption and bribery	0	0	0	0	0

8.2 Audit Committee Activities during 2020

Significant activities carried out by the Audit Committee during 2020 under the scope of duties and responsibilities can be summarized, as follows:

- Quarterly and annually reviewed the Company's financial statements and the Company and its subsidiaries' consolidated financial statements, as well as disclosures in the financial statements and related transactions, all of which had been prepared in accordance with Thai financial reporting standards and the Securities and Exchange Commission's standards. The Audit Committee had participating in the meetings with the auditor and the executives being responsible for finance and account in every quarter. In the meetings, important issues were reviewed, for instance, accuracy of the financial reports, appropriateness of the accounting policy, key audit matters related to the Company and its subsidiaries, changes in accounting standards that might affect the Company's financial reports and independence of the auditor.

In addition, the Audit Committee had reviewed the audit plan and performance of the auditor, including participating in the meetings with the auditor without the presence of the Company's management in order to discuss the independence of the auditor in performing duties as well as suspected corrupt behaviour and significant flaws in the internal control system or violation of the laws relating to duties of directors and executives

according to the Securities and Exchange Act B.E. 2559 (2016). In 2020, there was no significant comment given by the auditor and none of suspected behavior.

- Reviewed internal control system by considering the audit reports which the Internal Audit Office had reviewed and assessed, to validate that the Company had in place an appropriate and adequate internal control system as well as compliances with the regulations and guidelines set by the Company, including information technology controls. Moreover, the Audit Committee had also monitored to ensure that the management made completed corrections and solved issues at root causes to prevent recurrence of incidents, especially high-risk issues or fraud risk factors.

Additionally, the Audit Committee had acknowledged the reports summarizing the complaints made through whistleblower channel in order to evaluate whether the complaints were related to fraudulent behaviour or corruption or not, as well as the management of complaints to ensure its appropriateness and transparency.

- Reviewed the independence of the Internal Audit Department and approved the review of the internal audit charter, the structure of the Internal Audit Office and the annual audit plan. Furthermore, the Audit Committee had acknowledged the internal audit reports of the Company and its subsidiaries, including asking questions and giving advices and following up the corrective actions on significant issues in order to establish good corporate governance. The Audit Committee had also provided recommendations for the development of the Internal Audit Office's personnel, tools and technologies to ensure that the internal audit had been carried out efficiently and effectively.

In the Audit Committee Meeting No. 8/2020 held on September 9, 2020, since Ms. Wipawan Pramoonkwamdee had experienced the internal audits of foreign subsidiaries, she was appointed to be the Head of the Company's Internal Audit Office, effective from September 9, 2020. Ms. Wipawan Pramoonkwamdee has been a certified internal auditor conferred by the Institute of Internal Auditors and a certified public accountant. She also understands the Company's business activities and operations; therefore, she has appropriate and adequate qualifications to perform such duty.

- Reviewed the adequacy and effectiveness of the Company's risk management policy and strategy by having regular meetings with the executives being responsible for the Company's risk management to acknowledge both external and internal risk factors, risk assessment results and guidelines for managing risks to be at the Company's risk appetite, including providing suggestions for improvements. The Audit Committee had also placed emphasis on emerging risks due to rapid changes such as cyber security, etc.
- Reviewed the results of laws and regulations compliances through the meetings with the management of the Compliance Office and the departments being responsible for supervision and control. The Audit Committee had interrogated about various issues to ensure the efficiency and effectiveness of the departments in the control and monitoring important issues, including the improvements of work processes to comply with relevant rules.
- Reviewed and provided opinions on the connected transactions or the transactions with conflicts of interest in accordance with the regulations prior to presenting them to the Board of Directors and / or the shareholders according to the transaction scale, to ensure that the transactions were transparent and reasonable.
- Selected and nominated the auditor as well as considered the annual audit fee in order to present to the Board of Directors for approval and present at the Annual General Shareholders' Meeting. According to its resolution, KPMG Phoomchai Audit Limited was appointed to be the auditor of the Company and its subsidiaries, except in some countries. The appointment was made based on qualifications, knowledge, competence, and independence of the auditor, including the appropriateness of the audit fee.

- Other issues

8.1. Reviewed the Charter of the Audit Committee to ensure its conformity with practices and related laws; and also conducted evaluation on the performance of the Board of Directors according to an overall

assessment of the Board, to ensure that the Board had performed in accordance with the Good Practices prescribed by the Stock Exchange of Thailand;

- 8.2. Participated in the meetings with the executives and the team members of the Company and its subsidiaries to acknowledge guidelines for business management and operations, i.e., the operation of the Corporate Compliance Office, the promulgation of the Personal Data Protection Act B.E. 2562 (2019), the COVID-19 situation monitoring, its impacts and the Company's preventive measures, including the report on the incident when the Company was attacked by ransomware, whereas the Company had not been significantly affected due to its preventive measures, and guidelines for preventing future incidents.

8.3 Activities of Other Subcommittees during 2020

Remuneration and Nominating Committee

Significant activities carried out by the Remuneration and Nominating Committee during 2020 under the roles and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Considered the individuals qualified to be nominated as directors replacing those who vacated office. During 2020, there were 2 cases of the vacant as follows:
 - 1.1 director vacated office by rotation, whereas the qualified individuals shall be proposed to the Board of Directors and to the 2020 Annual General Shareholders' Meeting. Shareholders were given opportunities to nominate qualified individuals for being election as directors for 3 months in advance, from September 30, 2019 - December 31, 2019. The rules, channels, and timing for submitting the matters are posted on the Company's website; and
 - 1.2 director vacated office by resignation, whereas the qualified individuals shall be proposed to the Board of Directors.
2. Considered the suitability of the directors' remuneration for the year 2020 in order to propose to the Board of Directors and to the 2020 Annual General Shareholders' Meeting, whereas such consideration was made according to the assigned duties, position levels in the industry and sizes of the companies as well as the Company's performance and their responsibilities.
3. Considered, reviewed and defined skills, knowledge, expertise, and experiences to be included in a composition of the Board of Directors (Board Skills Matrix) in accordance with the Company's business strategies of both short and long terms by realising the importance of driving the organisation towards its goals, as well as determining risk management expertise, management and human resources management as specialized knowledge for being included in the Board Skills Matrix in order to ensure the Company's preparedness to keep up with significant environmental changes and be able to manage risks in crises, including being beneficial to the Company's business operations.

Corporate Governance Committee

Significant activities carried out by the Corporate Governance Committee during 2020 under the roles and responsibilities assigned by the Board of Director can be summarized as follows:

1. Evaluated the compliance with the Corporate Governance Policy for 2019.
2. Reviewed and revised the Corporate Governance Policy to be in alignment with changes in the capital markets and raised the corporate governance to the international level.
3. Revised the Personal Data Protection Policy to be complied with the personal information protection law and the Business Ethics in the section: "Personal Information Protection" in accordance with the Personal Data Protection Act, B.E. 2562 (2019).
4. Summarised subject matters regarding the guideline of good corporate governance by the Securities and Exchange Commission and presented them to the Board of Directors. Such matters included prevention of fraud

through financial reporting mechanism and determination the Company's blackout period, whereas beneficial questions and comments had been thoroughly raised.

Corporate Social Responsibility and Sustainable Development Committee

Significant activities carried out by the Corporate Social Responsibility and Sustainable Development Committee during 2020 under the roles and responsibilities assigned by the Board of Director can be summarized as follows:

1. Assessed performance 2019 of the Corporate Social Responsibility and Sustainable Development Committee;
2. Validated and approved the Sustainability Report 2019;
3. Provided advices and followed up on progresses of corporate social responsibility and sustainable development implementations to ensure that they were in alignment with indices either country level or international level for the year 2020;
4. Reviewed directions, supported and followed up on performances according to sustainability strategy and goals 2020 under the three pillars: Food Security, Self-Sufficiency Society and Balance of Nature;
5. Promoted the corporate social responsibility and sustainable development activities that had taken parts in supporting the UN's Sustainable Development Goals (SDGs);
6. Supported and approved the development and planning for corporate sustainability strategy and goals 2030.

9. Internal Control System and Related Party Transactions

9.1 Internal Control System

The Company has placed high importance on the internal control system which is an element of the good corporate governance enabling the Company to achieve its goals. The Company has operated its businesses efficiently and effectively, provided reliable financial reports and other reports and complied with laws and regulations, including controlling assets. The COSO (the Committee of Sponsoring Organization of Treadway Commission) framework has been adopted as a guideline for the Company's internal control while the Internal Audit has assessed the internal control systems of the Company and its subsidiaries as well as domestic and foreign operations.

At the Audit Committee Meeting dated February 19, 2020, the Audit Committee assessed the adequacy of the internal control system in accordance with the assessment schemes of the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the assessment results, the Company has an appropriate and adequate internal control system, including the risk management that is in alignment with the international standards covering both the corporate level and the activity level. The Audit Committee has already presented such results to the Board of Directors. The Company's activities under 5 significant elements can be summarized as follows:

1. Control Environment

The Company has provided an effective internal control environment by structuring the organization to be decentralized in order to create flexibility in the workplace and in line with the business models, for example, clear chain of command, written assignments of authority and responsibility, explicit authorities of executives at each level and in each matter, determined operational goals and performance indicators, including the policies, regulations and work manuals, all of which are periodically reviewed and improved to adapt to changing situations.

The Company is committed to conducting its businesses honestly and transparently by adhering to the principles of good corporate governance and business ethics as well as promoting the CPF Way to all employees as the corporate value driving the Company toward sustainability. The Company has also established the Anti-corruption Policy and the whistleblower channels for receiving complaints or information about fraud. Management approaches have been determined to handle the complaints while informants' details are kept confidential. All complaints will be passed to the Internal Audit Office for consideration and investigation. In the event that such complaints are found to be fraudulent or improper performance, a committee will be set up to investigate and consider punishment according to the Company's regulations. In addition, there will be an analysis to determine the root causes and suggestions on how to improve processes. The complaints will be presented to high-ranking executives and the Audit Committee for acknowledging causes and solutions, including being followed up and corrected to enhance governance efficiency.

2. Risk Assessment

The Company has placed high importance on managing risks under changes caused by both internal and external factors that affect the businesses, including the global mega trends, in order to enable the Company's preparedness at both of the corporate level and the business level.

The Board of Directors has promulgated the Risk Management Policy to determine the risk management approaches in the same direction across the corporate. The policy and approaches have been disseminated to employees at all levels for acknowledgement. The Company has also organised activities such as workshops and determining topics relating the risk management as part of the regular meetings at the business level in order to cultivate the risk management culture in the Company.

In addition, the Risk Management Sub-committee has been appointed to monitor and oversee the implementation of the Risk Management Policy, including regularly reviewing risks, assessment results and risk management activities as well as presenting such information to the Executive Committee and the Audit Committee at least on a quarterly basis.

3. Control Activities

The Company has prepared the policies, rules and regulations, operational manuals and authorization level in writing, as well as the information technology control, all of which are improved regularly. Moreover, the Corporate Compliance Office has managed and followed up the operations to ensure regulatory compliance.

The Company had improved operational processes as well as applied a wide range of technologies to enhance operational efficiency and effectiveness as well as reformed the internal control, for instance, implementing the procurement transformation project to centralize procurement, to improve the purchasing process and to use artificial intelligence technology for detecting unusual purchased items and enhancing control efficiency, etc.

4. Information and Communication

The Company has developed the information system to boost efficiency and safety in accordance with the laws related to the information system, as well as to enhance the operational capability and information analyses. However, the Company realises that using technology today may cause a cyber risk. The Company has therefore appointed the Technology and Cybersecurity Committee, including hiring external consultants to study and identify weaknesses of the information technology system. The Company has also set the management guidelines and raised employee awareness by communicating this matter through various channels within the corporate and organising a phishing campaign to ensure that its employees understand about how to use the Company's e-mail safely, etc.

Additionally, the Company has been communicating the policies, rules and regulations, operational manuals and important information to employees via the Company's website, CPF Connect, and a wide variety of print media to employees working in the manufacturing plants. The information given comprises Thai language and the languages of foreign employees, so that they can receive accurate information in a timely manner. The employee meetings are held as well to enable coordination and efficient and effective operations.

5. Monitoring Activities

The Company has set up the system to normally control and monitor the operations through supervisors or business executives, both in terms of performance or compliances with the policies and rules and regulations. The Internal Audit Office and the Corporate Compliance Office shall strengthen the monitoring and supervision as follows:

- The Internal Audit Office is an independent agency performing an assurance and assessing efficiency, effectiveness and sufficiency of the internal control system, including enabling the operational performances to be complied with the corporate policies, rules and regulations according to its risk-based audit. The Internal Audit Office shall also provide consulting to ensure effective supervision;
- The Compliance Office shall review and monitor the operational performances of various departments to ensure their compliances with relevant laws and regulations and regularly report results of monitoring to the management and the Audit Committee.

9.2 Related Party Transactions^{/65}

9.2.1 Related Transactions which are ordinary course of business or supporting transaction occurred during 2020, which have normal terms and conditions and conducted according to the principle of the processes of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E.(No. 4) 2008 approved by the Board of Directors of CPF.

Unit : THB million

Related Person	Relationship ^{/66}	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
<ul style="list-style-type: none"> C.P. Tower Growth Leasehold Property Fund 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Accounts receivable Lease liabilities Purchase of right-of-use assets	148 - - 178	2 1 149 -
<ul style="list-style-type: none"> Kabinburi Agriculture Co., Ltd 	<ul style="list-style-type: none"> Watcharapatr Co., Ltd., the major shareholder, is the related person of Mrs. Arunee Watcharananan (director of CPF) and child of Mr. Adirek Sripratak (director of CPF) Child of Mrs. Arunee Watcharananan (director of CPF) are directors 	Other expenses Lease liabilities	1 -	- 47
<ul style="list-style-type: none"> Bangkok Vet Drug Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses Sale of goods and other income	63 14	4 4
<ul style="list-style-type: none"> Kasetphand Industry Co., Ltd. 	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Other income Construction costs and other equipment Advance payments for purchase of goods	1 928 -	2 124 20
<ul style="list-style-type: none"> Gosoft (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> Subsidiary of CPALL Plc. ("CPALL") 	Other expenses	22	29
<ul style="list-style-type: none"> Khao C.P. Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	133	1
<ul style="list-style-type: none"> K.S.P. Equipment Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income Construction costs and other equipment Gain on sale of assets	1 499 2	5 25 -
<ul style="list-style-type: none"> Charoen Pokphand Group Co., Ltd. ("CPG") 	<ul style="list-style-type: none"> Major shareholder of CPF (CPG directly holds 25.02% in CPF) Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Chingchai Lohawatanakul and Mr. Phongthep Chiaravanont are the common directors 	Sale of goods and other income Purchase of goods and other expenses Technical service fees Trademark license fees	3 9,526 58 4,030	1 353 1 997
<ul style="list-style-type: none"> Counter Service Co., Ltd. 	<ul style="list-style-type: none"> Subsidiary of CPALL 	Bill payment services and cash in remittance process	-	300
<ul style="list-style-type: none"> Charoen Pokphand Produce Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	1 68	- 1
<ul style="list-style-type: none"> Charoen Pokphand Engineering Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Construction costs and other equipment	74	11
<ul style="list-style-type: none"> Charoen Pokphand Enterprise Co., Ltd. 	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Other income Purchase of goods and other expenses	1 187	- 18
<ul style="list-style-type: none"> C.P. Consumer Products Co., Ltd. 	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Purchase of goods and other expenses	267 84	81 9

^{/65} Investors may explore related party transactions occurred during 2018-2019 in Registration Statement for the year 2018-2019 on SEC website or CPF website at <https://www.cpfworldwide.com/en/investors/report-56-1>

^{/66} "Related person" in this topic means the person defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 re: the definitions in the notifications relating to issue and offer of securities



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• C.P. Trading Group Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Phongthep Chiaravanont is the common director	Sales of goods	50	6
• C.P. Food Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income Purchase of goods and other expenses	21 290	5 26
• C.P. Poly-Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	598	54
• C.P. Intertrade Co., Ltd.	• Chearavanont family is a major shareholders • Mr. Chingchai Lohawatanakul and Mr. Phongthep Chiaravanont are the common directors	Sale of goods and other income Purchase of goods and other expenses	7 344	10 38
• C.P. Interfood (Thailand) Co., Ltd.	• CPG is the major shareholders	Other income Purchase of goods and other expenses	1 289	- 36
• C.P. Packaging Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	137	12
• C.P. Retailink Co., Ltd.	• Subsidiary of CPALL	Sale of goods and other income Purchase of goods and other expenses Purchase of equipment	9 51 20	4 5 -
• CP ALL Plc. ("CPALL")	• Associate of CPF • Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, and Pol.Gen. Phatcharavat Wongsuwan are the common directors	Sale of goods and other income Other expenses	9,009 28	1,800 9
• CP-Meiji Co., Ltd.	• Joint venture of CPF • Mr. Phongthep Chiaravanont, Mr. Adirek Sripratak, Mr. Prasit Boondoungprasert and Mr. Paisan Chirakitchareem are the common directors	Sale of goods and other income Purchase of goods and other expenses	351 701	17 60
• CP Match Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	30	-
• CPRAM Co., Ltd.	• Subsidiary of CPALL	Sale of goods and other income Purchase of goods and other expenses	1,710 214	263 7
• Natchayakom Pattana Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	2 -	- 65
• Dynamic Transport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income Purchase of goods and other expenses	1 992	- 79
• Dynamic Intertransport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	108	6
• Sapsamutr Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income Other expenses Lease liabilities Purchase of right-of-use assets	1 37 - 22	- 1 41 -
• Triple P Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	2 -	- 35
• True Corporation Plc.	• CPG is the major shareholder • Mr. Suphachai Chearavanont is the common director	Sale of goods and other income Other expenses Dividend income	2 3 66	1 - -
• True Move H Universal Communication Co., Ltd.	• Subsidiary of TRUE • Mr. Suphachai Chearavanont is the common director	Other expenses Sale of goods and other income	44 15	4 7



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• True Internet Corporation Co., Ltd.	• Subsidiary of TRUE	Other expenses	54	4
• True Leasing Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses Lease liabilities Purchase of right-of-use assets	184 - 497	52 1,000 -
• True Internet Data Center Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	52	6
• Tacharm Agricultural - Industry Co., Ltd.	• Chearavanont family is the major shareholder	Sale of goods and other income Purchase of goods	136 256	9 16
• Taksawan Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	61 -	4 6
• Ayutthaya Port & ICD Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	127	12
• T.K.P. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses Lease liabilities	6 -	- 201
• Thanakorn Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	1 -	- 45
• Pratak Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Lease liabilities	-	24
• Patcharapak Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses Lease liabilities	2 -	- 79
• Patcharapoom Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors	Other expenses Lease liabilities	3 -	- 118
• Leadership Development Charoen Pokphand Group Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Training and seminar fees	28 526	7 -
• P.N.S. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses Lease liabilities	9 -	- 304
• Perfect Companion Group Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Sale of goods and other income Purchase of goods and other expenses	1,196 75	144 5
• Freewill Solutions Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Suphachai Chearavanont is the common director	Software application fees and other expenses	34	-
• Tak Charoen Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors	Other expenses Lease liabilities	2 -	- 82
• Farm Factory World Co., Ltd.	• Major shareholder is the related person of Mr. Voravit Janthanakul (director of CPF's subsidiary)	Sale of goods and other income Purchase of equipment Purchase of trademark	2 12 28	- 13 30
• Ross Breeders Siam Co., Ltd.	• Associate of CPF • Mr.Soopakij Chearavanont, Mr.Adirek Sripratak, Mr.Suphachai Chearavanont are the common directors	Sale of goods and other income Purchase of goods	242 1	28 -
• Watcharapatr Co., Ltd.	• Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors	Other expenses Lease liabilities	3 -	- 81



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• Watcharaphat (Kabin) Co., Ltd.	• Watcharapatr Co., Ltd., the major shareholder, is the related person of Mrs. Arunee Watcharananan (director of CPF) • Child of Mrs. Arunee Watcharananan (director of CPF) are directors	Lease liabilities	-	30
• VLS Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	4 -	- 93
• Star Marketing Co., Ltd.	• CPG is the major shareholder	Account receivables Trademark license fees Purchase of trademark	- 8 349	2 - -
• Siam Food Service Co., Ltd.	• Subsidiary of MAKRO	Sale of goods Purchase of goods	16 45	3 5
• Siam Makro Plc.	• Subsidiary of CPALL • Mr. Adirek Sripratak and Mr. Suphachai Chearavanont are the common directors	Sale of goods and other income Purchase of goods and other expenses	13,819 408	2,095 40
• Siam Rivea Co., Ltd.	• Associate of CPF • Mr. Prasit Boondoungprasert is the common director • Mr. Sathit Sangkanarubordee, CPF executive, is the director	Loans and interest income	1	49
• Sinsanti Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are directors and child of Mr. Adirek Sripratak (director of CPF) are shareholders	Other expenses	38	3
• Sirilux Pattana Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses Lease liabilities	3 -	- 84
• Alpha Farm Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	10 25	2 -
• Arbor Acres Thailand Co., Ltd.	• Associate of CPF • Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont and Mr. Paisan Chirakitchareem are the common directors	Sale of goods and other income Purchase of goods	114 12	10 -
• Egg Digital Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	23	4
• A.P.S. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses Purchase of right-of-use assets Lease liabilities	25 342 -	4 - 335
• SLS Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses Lease liabilities	3 -	- 209
• Advance Transport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	20	1
• Advance Pharma Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Sale of goods and other income Purchase of goods and other expenses Purchase of right-of-use assets Lease liabilities	217 246 1 -	35 20 - 1
• A.P.P. Enterprice Inc.	• Associate of CPF	Interest income Purchase of right-of-use assets Lease liabilities	3 54 -	- - 553



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• Andhra Pradesh Broodstock Multiplicationcentre Private Ltd.	• Associate of CPF	Advance payments for purchase of goods	-	41
• Anhui C.P. Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	121	4
• Beijing C.P. Egg Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	52	-
		Purchase of goods	54	4
• Beijing Chia Tai Breeding Science & Technology Development Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,147	566
		Purchase of goods	681	673
		Advance payments for purchase of goods	-	19
• Beijing Chia Tai Feedmill Co., Ltd.	• Associate of CTI	Sale of goods	423	1
		Purchase of goods	530	-
		Borrowings and interest expense	14	414
• Beijing Chia Tai Poultry Tech Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	28	-
• Beijing Dafa Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	79	1
		Purchase of goods	2	-
• Beijing Poultry Breeding Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	4	12
		Purchase of goods	113	1
		Advance payments for purchase of goods	-	15
• BHJ Kalino Food AB	• Associate of CPF	Sale of goods	654	87
		Accounts payable	-	5
• C.P. Aquaculture (India) Private Ltd.	• Associate of CPF	Sale of goods and other income	76	4
	• Mr. Chingchai Lohawatanakul is the common director	Purchase of goods and other expenses	438	85
• C.P. Aquaculture (Yangjiang) Co., Ltd.	• Subsidiary of CTI	Account payables	-	20
• C.P. Packaging (Vietnam) Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	197	18
• C.P. Seed (Vietnam) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	121	3
• C.P. Trading Co., Ltd.	• Chearavanont family is a major shareholders	Other income	8	-
		Purchase of goods	24,517	2,133
• C.P. Trading (China) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	1,351	7
• Chai Tai Swine Business Minquan Co., Ltd.	• Subsidiary of CTI	Sale of goods	21	27
		Purchase of goods	39	10
• Changsha Chulian Supermarket Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	104	8
• Charoen Plantation Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of Goods	35	34
• Charoen Pokphand Import & Export Trading (Shanghai) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	1,624	593
• Charoen Pokphand Intertrade Singapore (Pte) Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,235	79
		Account payable	-	68
• Charoen Pokphand Trading (Hong Kong) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	32	-
	• Mr. Soopakij Chearavanont is the common director			



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• Charoen Pokphand Trading India Private Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	408	4
• Chengdu Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	2,057	4
• Chengdu Chia Tai C.P. Trading Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	34	1
• Chenzhou Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	56	1
• Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Sale of goods and other income Purchase of goods Trademark license fees Interest income	14,919 21,478 56 3	644 93 - -
• Chia Tai Animal Husbandry Technology (Kaifeng) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Accounts payable Advance payments for purchase of goods	82 - -	- 25 7
• Chia Tai Aquaculture (Xiamen) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	32	17
• Chia Tai C.P. (Beijing) International Trading Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and equipments	2 582	- 147
• Chia Tai C.P. Trading Development Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,288	-
• Chia Tai Electronic Commerce (Zhejiang) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	3,013	112
• Chia Tai Feedmill Pte. Ltd.	• CPG is a major shareholder	Purchase of goods	58	13
• Chia Tai Feed (Hengshui) Co., Ltd.	• Subsidiary of CTI	Purchase of goods	114	300
• Chia Tai Feed (Yushu) Co., Ltd.	• Subsidiary of CTI	Purchase of goods	220	1,172
• Chia Tai Feed (Zhanjiang) Co., Ltd.	• Subsidiary of CTI	Purchase of goods	128	869
• Chia Tai Food & Beverage (Beijing) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses Sale of goods Advance payments for purchase of goods	78 22 -	8 3 4
• Chia Tai Food Enterprise (Chengdu) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	29 2	- -
• Chia Tai Food Enterprise (Shanghai) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expenses	7,722 622	1,185 47
• Chia Tai Investment Co., Ltd. ("CTI")	• Changed status from subsidiary of CPP to associate of CPP since December 1, 2020 onwards and its current major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Purchase of goods Interest expenses Accrued dividend income	6 4 -	103 - 3,576
• Chia Tai Poultry Industry (Henan) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	113	-



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
● Chia Tai (Zhanjiang) Poultry Industry Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	22	-
● Cixi C.P. Egg Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	347 15	- 2
● CP Fresh Mart (Beijing) Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	65	11
● CPPC Outdoor Wear (Vietnam) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses Account receivables Advance payments for purchase of goods	64 - -	- 3 19
● CPQS Realty Development Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder ● Mr. Soopakij Chearavanont is the common director	Other expenses	43	-
● Fujian C.P.Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	20	6
● Fujian C.P.Livestock Co., Ltd.	● Subsidiary of CTI	Sale of goods	23	1
● Guangdong Chia Tai Ecological Agriculture Co., Ltd.	● Subsidiary of CTI	Sale of goods	41	1
● Guangdong Zhanjiang Chia Tai Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	68 11	51 -
● Guangdong Zhanjiang Chia Tai Poultry Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods Advance payments for purchase of goods	157 364 -	2 186 145
● Guangdong Zhanjiang Chia Tai Swine Industry Co., Ltd.	● Subsidiary of CTI	Sale of goods	70	-
● Guangxi C.P. Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	101 1	- -
● Guangzhou Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	99	-
● Guilin C.P.Livestock Co., Ltd.	● Subsidiary of CTI	Sale of goods	43	-
● Guizhou C.P. Egg Industry Co.,Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	102	-
● Guizhou Chia Tai Agro-Industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	620	-
● Handan Chia Tai Feed Co., Ltd.	● Joint venture of CTI	Sale of goods Interest expense	20 1	- -
● Heilongjiang Chia Tai Enterprise Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of Goods and other expenses Sale of goods Purchase of equipments	107 40 53	17 26 -
● Henan C.P. Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	304 25	1 -



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
● Henan East Chia Tai Co., Ltd.	● Joint venture of CTI	Sale of goods and other income Purchase of goods Interest income	547 194 7	- - -
● Huai Lai Chia Tai Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	73 114	14 -
● Huaian C.P.Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	120 158	- -
● Hubei Chia Tai Livestock & Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	3 706	1 402
● Hunan C.T.Poultry Co., Ltd.	● Subsidiary of CTI	Sale of goods	23	-
● Inner Mongolia Chia Tai Agriculture Co., Ltd.	● Subsidiary of CTI	Purchase of goods	811	-
● Jiangsu Chia Tai Nongken Swine Business Co., Ltd.	● Subsidiary of CTI	Sale of goods and other income Purchase of goods	34 308	- -
● Jiangsu Huai Yin Chia Tai Co.,Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	1 117	- 549
● Jiangxi Chia Tai Livestock Co., Ltd.	● Subsidiary of CTI	Sale of goods and other income	24	1
● Jilin Chia Tai Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Advance payments for purchase of goods	8 1,118 -	18 - 57
● Jilin Deda Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of Goods and other expenses Advance payments for purchase of goods	2,043 754 -	7 46 5
● Kaifeng Chia Tai Co., Ltd	● Subsidiary of CTI	Purchase of goods	33	50
● Kinghill Limited	● Major shareholder is the company having Chearavanont family as an ultimate shareholder ● Mr. Soopakij Chearavanont is the common director	Dividend income	38	38
● KSP Vietnam Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	649	679
● Kunming CP Swine Business Co., Ltd.	● Subsidiary of CTI	Sale of goods	136	-
● Laibin Chia Tai Modern Agriculture Co., Ltd.	● Subsidiary of CTI	Sale of goods Other expenses	96 1	- -
● Lanzhou Chia Tai Food Co., Ltd.	● Subsidiary of CTI	Sale of goods and other income	75	-
● Lianyungang Chia Tai Agro-Industry Development Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	11 121	1 571
● Luoyang C.P. Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	329	3
● Minquan Chia Tai Agriculture & Animal Husbandry Development Co., Ltd.	● Subsidiary of CTI	Sale of goods	27	1
● Nantong Chia Tai Co., Ltd	● Subsidiary of CTI	Purchase of goods	42	527



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• Nantong Chia Tai Agriculture Development Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income Purchase of goods	48 173	- -
• Nantong Chia Tai Livestock & Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses Advance payments for purchase of goods	79 129 -	3 533 412
• Ningxia Xiao Ming Animal Husbandry Co., Ltd.	• Associate of CTI	Sale of goods	23	-
• Perfect Companion (China) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Phongthep Chiaravanont is the common director	Sale of goods	181	-
• Pizhou Chia Tai Food Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income Purchase of goods and other expenses	643 1,204	1 -
• PK Agro-Industrial Products (M) Sdn. Bhd. ("PK Agro")	• Before July 31, 2020, Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM") and its subsidiaries, including PK Agro, were associate of CPF. Then CPFI purchased the remaining stake or 50.25% in CPHM on July 31, 2020. When combined with CPFI existing stake of 49.75% in CPHM, CPFI become the sole shareholder of CPHM. Therefore, CPHM and its subsidiaries changed their status from associate to subsidiaries of CPF since then.	Sale of goods and other income Purchase of Goods and other expenses	79 189	- -
• Qingdao Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of Goods and other expenses	46 563	1 164
• Qingdao Chia Tai Agro-Industry & Food Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	2,627	-
• Qingdao CP Swine Business Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income Purchase of goods	42 12	3 -
• Qingdao Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Sale of goods Purchase of goods Advance payments for purchase of goods	19 25 -	1 13 14
• Qingdao Yi Bang Bio-Engineering Co., Ltd.	• Associate of CTI	Purchase of goods	72	36
• Qinhuangdao Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of Goods and other expenses	504 870	21 168
• Shandong C.P. Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income	69	1
• Shanghai Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Other expenses	73 1	- -
• Shanghai Zhengcheng Machinical-Electrical Manufacturing Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Advance payments for purchase of goods	734 -	3 4
• Shanghai Zhengyi Machinery Engineering Technology Manufacturing Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Purchase of goods	84 111	- 2
• Shanghai Zheng Yuan Computer Technology Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	45	-



Related Person	Relationship ⁶⁶	Transaction	Transaction Amount during 2020	Outstanding Amount as of Dec. 31, 2020
• Sichuan C.P. Egg Industry Co., Ltd	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Other expenses	424 1	1 -
• Sichuan Chia Tai Animal Husbandry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	161	-
• SuperDrob S.A.	• Associate of CPF	Purchase of goods and other expenses Other income	3,304 13	92 4
• Xianghe Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	5 26	1 5
• Xiangyang Chia Tai Agro-Industry & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods and other expenses	3,848 7,119	1 -
• Xian Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	21	1
• Xianning Chia Tai Agro-Industry&Food Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	108 534	2 -
• Xin Bai Qin Vehicle Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Advance payments for purchase of goods	29 -	- 4
• Xinjiang Chia Tai Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	25	1
• Yichang Chia Tai Animal Husbandry Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods and other expenses	118 540	1 -
• Yueyang Chia Tai Agro-Industry & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income	22	-
• Yunnan Chia Tai Agriculture Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	720	-
• Zhan Jiang Deni Carburetor Co., Ltd.	• Associate of CTEI	Accrued interest income	-	153
• Zhejiang C.P. Livestock & Aquaculture Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	109	-
• Others		Sale of goods and other income to other 162 related companies for the year 2020; and had 116 debtors as of December 31, 2020. Purchase of goods and other expenses from other 109 related companies for the year 2020, and had 80 creditors as of December 31, 2020.	454 323	71 80

9.2.2 Related transaction which are not in the ordinary course of business or supporting transactions

During 2020, details of related transactions which were not in the ordinary course of business or supporting transaction conducted on the notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Transactions of Related Parties can be summarized as follows:

1. The Board of Directors convened on February 20, 2020 approved the subsidiaries to enter into the following transactions:
 - 1.1 CPF Restaurant and Food Chain Co., Ltd. ("CPFRF"), 99.99% indirect subsidiary of CPF, to acquire "Five Star" trademark from Star Marketing Co., Ltd. at the total consideration of Baht 349 million. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company since this will accommodate the growth of Five Star business whereas the basis used to determine total consideration of this transaction is appropriate.
 - 1.2 CPF Investment limited ("CPFI"), the wholly-owned subsidiary of CPF, to acquire all remaining ordinary shares of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM") or 50.25% of total issued and paid-up shares of CPHM for a total consideration of MYR 177 million from Standard Investment Pte. Ltd. in addition to 49.75% existing shareholding. As a result, CPF will hold 100.00% in CPHM. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company as the sole shareholder of CPHM post-transaction in enhancing flexibility and efficiency in managing the poultry integrated business in Malaysia whereas the basis used to determine total consideration of this transaction is appropriate.

Directors with the conflict of interest had no rights to vote and not attend the meeting.

2. The Extraordinary General Shareholders' Meeting of CPF No. 1/2020 convened on October 27, 2020 approved Chia Tai Investment Co., Ltd. ("CTI") (which is an indirect wholly-owned subsidiary of C.P. Pokphand Co. Ltd. ("CPP"), a subsidiary of the Company) to enter into an agreement with (i) CP China Investment Limited, (ii) CP Food Enterprise (Qinhuangdao) Co., Ltd. and (iii) Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. ("Vendor") (which is an indirect wholly-owned subsidiary of Charoen Pokphand Group Company Limited ("CPG"), a major shareholder of the Company). Pursuant to the agreement, CTI has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the equity capital in 43 entities, established and operating the breeding, farming, slaughtering, food processing and sale of swine in the People's Republic of China ("PRC") ("Swine Business") ("Targets"), held by the Vendor. CTI will issue new shares representing 65% of enlarged share capital to the Vendor as the consideration for the equity capital in the Targets ("Transaction"). The value of the Transaction is approximately RMB 28,140 million or equivalent to approximately THB 131,287 million or equivalent to approximately USD 4,109 million.

The Transaction is regarded as the acquisition or disposition of assets and connected transaction under the Notification of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand. CPF; therefore, appointed Asia Plus Advisory Co., Ltd. as an independent financial advisor to render opinion to shareholders on the appropriateness and benefit to the Company, including fairness and conditions of the Transaction.

The independent financial advisor has opined that entering into the Transaction will allow the Company to expand and enter into the swine business in the PRC and operates an integrated swine business. In addition, the Company will be able to achieve operating performance benefits from the Targets' promising outlook, lower operational risks through the alignment of the business expansion plan between animal feed business and swine farm business, periodic financial liquidity management efficiency, and reduce potential conflict of interests with CPG on the grounds of business management under the supervision of independent directors without incurring additional financial cost by settling the Transaction with CTI's newly issued shares.

9.2.3 The Necessity and Rationality of the Related Transactions

The related transaction entered by the Company with person who have conflict of interest has been thoroughly reviewed by the Audit Committee. The Audit Committee opined that said transaction was reasonable and is reasonable and beneficial to the Company and shareholders.

9.2.4 Measure to Govern Related Transactions

To enter into the related transactions, the Company strictly adhere to relevant laws and regulations, including the rules stipulated by the Capital market Supervisory Board, to achieve highest benefit of the Company. In this regard, the Company establishes the guidance to engage into the related transactions. The transactions which are ordinary course of business or supporting an ordinary course of business must be in compliance with the principle approved by the Board of Directors. The transactions which are not the ordinary course of business or supporting an ordinary course of business must be considered and approved by the Board of Directors prior to the transaction engagement, upon the review by the Audit Committee to ensure the highest benefit of the Company and no conflict of interest. In this case, the Audit Committee may employ the independent appraiser or financial advisor to assess the value of such related transaction for comparative purpose, if necessary.



Charoen Pokphand Foods Public Company Limited

Part 3 Financial Statements

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Charoen Pokphand Foods Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Charoen Pokphand Foods Public Company Limited and its subsidiaries (the "Group") and of Charoen Pokphand Foods Public Company Limited (the "Company") respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements in the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment testing of investments in subsidiaries, property, plant and equipment and goodwill	
Refer to notes 4 (b), 4 (k), 4 (l), 4 (n), 4(o), 12, 16 and 18 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company have investments and business operations in many countries and there is a risk from various external factors such as the fluctuation in economies, politics, laws, and trade regulations, the change in environment, climate, and disease. Hence, there is a risk that the operating results of certain businesses and the investments in certain countries might be significantly different from the initial forecast and budget and might result in the assets' carrying value being higher than the recoverable amounts, which might represent losses from impairment.</p> <p>I considered this as the key audit matter because the impairment testing involved a significant level of management judgment.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluating the management's assessment on the reasonableness of the indicators and impairment testing of investments in subsidiaries, property, plant and equipment and goodwill including evaluating the key assumptions which supports the management's forecast; • inquiring of management about the discounted cash flow projection model, understanding the Group and the Company's business and strategies; • evaluating the assumptions applied in preparing cash flow projections by comparing the key assumptions with internal and external sources of information, taking into account the accuracy of the past cash flow projections in comparison to the actual operating results, and testing a sample of inputs and key assumptions applied in the discounted cash flow model including testing the calculation; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.



Recognition of deferred tax assets	
Refer to notes 4 (w) and 29 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company have recognised deferred tax assets which were calculated from temporary differences and unutilised tax losses by considering the forecast of future taxable profits whether they will be sufficient for the utilisation of temporary differences and unutilised tax losses prior to the expiry of tax losses or not.</p> <p>I considered this as the key audit matter because the consideration of the forecast of future taxable profits of management involved a significant level of judgment in determining the key assumptions.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> evaluating the assumptions used by management in the forecast of future taxable profits of the Group and the Company in comparison to the key assumptions used by management in the preparation of the forecast of future taxable profits with the internal and external sources of information and considering the reasonableness of the forecast of future taxable profits by comparing the past forecast to the actual operating results and the operation plans; and evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Measurement of biological assets	
Refer to note 4 (h) and 11 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group measured certain types of biological assets at fair value less costs to sell. Management assessed the fair value by using market comparison approach which used key unobservable inputs such as quoted prices based on market prices at the end of the reporting period.</p> <p>I considered this as the key audit matter because management's estimation of the fair value of biological assets involved a significant level of judgment.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> evaluating the approach used by management in the measurement of biological assets including information used in the classification and categorising age, weight, and quantity of biological assets and comparing the quoted prices used by the Group to the internal and external sources of data and the available market prices at the reporting date; and evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.





Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Munchupa Singuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2021

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries

Statements of financial position

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	<i>Note</i>	2020	2019	2020	2019
<i>Current assets</i>					
Cash and cash equivalents	8	57,035,264	32,094,078	2,812,094	1,065,677
Current investments		961,659	1,402,034	-	-
Accounts receivable - trade and others	9	29,952,155	33,117,512	2,583,561	2,508,090
Short-term loans to subsidiaries	7	-	-	20,024,025	43,075,000
Short-term loans to joint ventures	7	-	188,291	-	-
Inventories	10	52,136,060	60,986,587	2,776,137	2,667,329
Current biological assets	11	38,925,031	37,104,173	984,609	1,059,290
Derivative assets - current portion	32	154,590	-	10,739	-
Restricted deposits at financial institutions		366,374	862,700	-	-
Advance payments for purchase of goods		4,424,757	5,891,200	-	-
Prepaid expenses		2,364,811	1,947,415	173,135	177,330
Accrued dividend income	7	3,767,364	165,024	-	2,689,695
Other current assets		4,581,620	4,887,041	56,841	60,216
Non-current assets classified as held for sale	7, 12	-	-	-	1,084,291
Total current assets		194,669,685	178,646,055	29,421,141	54,386,918

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	
		31 December		31 December	
Assets (Continued)	<i>Note</i>	2020	2019	2020	2019
<i>Non-current assets</i>					
Investments in equity securities	32	11,421,702	5,325,590	663,000	150,291
Investments in subsidiaries	12	-	-	227,367,626	191,465,717
Investments in associates	14	217,839,231	105,893,324	5,533,809	334,809
Investments in joint ventures	15	21,014,106	19,434,231	4,360,381	4,360,381
Long-term loans to subsidiary	7	-	-	570,000	600,000
Long-term loans to associate	7	49,050	28,650	-	-
Investment properties		1,433,369	1,647,276	355,333	354,663
Property, plant and equipment	16	200,138,278	197,430,375	16,834,537	15,091,603
Right-of-use assets	17	32,373,333	8,520,350	422,837	-
Goodwill	18	54,565,338	87,761,837	-	-
Other intangible assets	19	13,142,577	14,404,897	23,690	27,869
Non-current biological assets	11	8,531,123	8,057,126	-	-
Deferred tax assets	29	2,947,591	3,155,636	90,697	955,778
Restricted deposits at financial institutions		-	2,698	-	-
Other non-current assets		3,593,702	3,742,514	163,225	197,004
Total non-current assets		567,049,400	455,404,504	256,385,135	213,538,115
Total assets		761,719,085	634,050,559	285,806,276	267,925,033

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	
		31 December		31 December	
Liabilities and shareholders' equity	<i>Note</i>	2020	2019	2020	2019
<i>Current liabilities</i>					
Bank overdrafts and short-term borrowings					
from financial institutions	20	63,846,345	72,204,443	5,400,000	2,852,870
Bills of exchange	20	38,753,567	21,818,185	18,157,729	16,339,484
Accounts payable - trade and others	22	32,312,422	32,184,326	1,133,099	1,168,973
Accrued expenses		9,333,227	13,001,271	159,313	150,132
Current portion of long-term borrowings	20	37,026,783	42,403,756	8,500,000	16,519,926
Current portion of lease liabilities	20	4,172,469	323,462	217,449	-
Short-term borrowing from subsidiaries	7, 20	-	-	13,250,742	6,500,000
Short-term borrowing from related parties	7, 20	423,443	657,200	-	-
Income tax payable		2,946,239	1,501,248	-	-
Derivative liabilities - current portion	32	669,961	-	60,064	-
Other current liabilities		14,662,309	13,617,219	1,461,571	1,434,108
Total current liabilities		204,146,765	197,711,110	48,339,967	44,965,493
<i>Non-current liabilities</i>					
Long-term borrowings	20	244,196,279	194,023,188	95,597,523	79,207,982
Lease liabilities	20	27,692,379	2,471,463	186,429	-
Deferred tax liabilities	29	8,962,390	7,881,843	-	-
Provision for employee benefits	23	10,553,012	9,595,827	2,977,226	2,725,561
Provisions and others		2,469,627	3,494,734	-	-
Derivative liabilities - non-current portion	32	1,520,065	-	248,939	-
Total non-current liabilities		295,393,752	217,467,055	99,010,117	81,933,543
Total liabilities		499,540,517	415,178,165	147,350,084	126,899,036

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	
		31 December		31 December	
Liabilities and shareholders' equity	Note	2020	2019	2020	2019
(Continued)					
Shareholders' equity					
Share capital					
Authorised share capital (<i>ordinary shares, par value at Baht 1 per share</i>)		9,291,530	9,291,530	9,291,530	9,291,530
Issued and paid-up share capital (<i>ordinary shares, par value at Baht 1 per share</i>)		8,611,242	8,611,242	8,611,242	8,611,242
Share premium	24				
Share premium on ordinary shares		57,298,909	57,298,909	56,408,882	56,408,882
Other premium		3,470,021	3,470,021	3,470,021	3,470,021
Surplus from change in shareholders' equity in subsidiaries and associates		4,809,941	4,072,786	-	-
Surplus on common control transactions		(5,159)	(5,159)	490,423	490,423
Retained earnings					
Appropriated	24				
Legal reserve		929,166	929,166	929,166	929,166
Unappropriated		119,893,131	103,579,286	54,224,986	53,294,335
Treasury shares	21	(8,997,459)	(2,909,249)	(6,088,210)	-
Other components of shareholders' equity		(9,073,005)	(21,771,738)	5,409,682	2,821,928
Total		176,936,787	153,275,264	123,456,192	126,025,997
Subordinated perpetual debentures	25	15,000,000	15,000,000	15,000,000	15,000,000
Total shareholders' equity attributable to equity holders of the Company		191,936,787	168,275,264	138,456,192	141,025,997
Non-controlling interests	13	70,241,781	50,597,130	-	-
Total shareholders' equity		262,178,568	218,872,394	138,456,192	141,025,997
Total liabilities and shareholders' equity		761,719,085	634,050,559	285,806,276	267,925,033

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	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
Income	7				
Revenue from sale of goods	26	589,712,922	532,573,465	25,521,284	24,461,687
Gains on sale of investments	7, 12, 14	1,575,478	8,090,261	882,216	-
Interest income		770,486	1,037,971	1,633,701	4,412,896
Dividend income		118,005	123,975	11,642,699	11,526,573
Net foreign exchange gains		993,983	-	308,017	-
Gains on changes in fair value of investment in joint venture		-	9,236	-	-
Gains on loss of control in a subsidiary	6	11,198,660	-	-	-
Other income		3,415,700	3,044,787	68,089	138,245
Total income		607,785,234	544,879,695	40,056,006	40,539,401
Expenses	7				
Cost of sale of goods	10, 28	482,469,521	456,269,311	22,808,823	23,121,810
Distribution costs	28	23,900,383	21,590,256	954,875	916,256
Administrative expenses	28	33,764,608	33,228,865	2,347,296	3,176,977
Losses (Gains) on changes in fair value of biological assets	11	269,808	-3,235,453	-	-
(Reversal of) impairment losses	12, 16, 18	4,356,294	2,576,670	-1,580	204,000
Net foreign exchange losses		-	10,423	-	1,149,017
Loss on sale of investment	7	-	-	-	454,210
Loss from liquidation of subsidiaries	7	313,649	4,682	-	-
Losses on changes in fair value of investment in associate	6	53,420	-	-	-
Finance cost on lease liabilities	17	2,469,010	147,795	12,260	-
Other finance costs		14,348,954	13,636,834	4,857,597	4,532,208
Total expenses		561,945,647	524,229,383	30,979,271	33,554,478
Share of profit of associates and joint ventures	14, 15	9,253,600	8,893,402	-	-
Profit before income tax expense		55,093,187	29,543,714	9,076,735	6,984,923
Income tax expense	29	11,001,203	5,445,838	352,923	757,107
Profit for the year		44,091,984	24,097,876	8,723,812	6,227,816

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
Profit for the year attributable to:					
Equity holders of the Company		26,022,389	18,455,806	8,723,812	6,227,816
Non-controlling interests		18,069,595	5,642,070	-	-
Profit for the year		44,091,984	24,097,876	8,723,812	6,227,816
Basic earnings per share (<i>in Baht</i>)	<i>30</i>	3.14	2.18	0.95	0.65
Diluted earnings per share (<i>in Baht</i>)	<i>30</i>	3.10	2.18	0.94	0.65

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)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December 2020	2019	Year ended 31 December 2020	2019
Profit for the year		44,091,984	24,097,876	8,723,812	6,227,816
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value change on investments held as available for sale		-	(91,462)	-	-
Foreign currency translation differences		1,706,946	(13,301,107)	-	-
Losses on cash flow hedges	32	(751,403)	-	(42,022)	-
Share of other comprehensive income of associates	14	3,429	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	29	120,094	303,094	8,404	-
Total items that will be reclassified subsequently to profit or loss		1,079,066	(13,089,475)	(33,618)	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Losses on equity investments measured at fair value through other comprehensive income	32	(640,255)	-	-	-
Losses on remeasurements of defined benefit plans	23	-727,754	-1,308,277	(196,685)	(413,640)
Gains on revaluation of assets	16	14,865,683	178,018	2,836,974	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	29	-2,364,427	220,289	(528,058)	82,728
Total items that will not be reclassified subsequently to profit or loss		11,133,247	(909,970)	2,112,231	(330,912)
Other comprehensive income (expense) for the year - net of income tax		12,212,313	(13,999,445)	2,078,613	(330,912)
Total comprehensive income for the year		56,304,297	10,098,431	10,802,425	5,896,904
Total comprehensive income attributable to:					
Equity holders of the Company		31,758,637	9,139,784	10,802,425	5,896,904
Non-controlling interests		24,545,660	958,647	-	-
Total comprehensive income for the year		56,304,297	10,098,431	10,802,425	5,896,904

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																		
Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus from change in shareholders' equity in subsidiaries and associates	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Other components of equity				Total	Subordinated perpetual debentures	Total shareholders' equity attributable to equity holders of the Company	Non-controlling interests	Total shareholders' equity	
									Gains on revaluation of assets	Gains (losses) on equity investments measured at fair value through other comprehensive income	Foreign currency translation differences	Total other components of shareholders' equity						
Year ended 31 December 2019																		
Balance at 1 January 2019	8,611,242	57,298,909	3,470,021	3,500,083	(5,159)	929,166	91,815,106	(2,909,249)	13,812,039	(3,799,448)	(22,453,189)	(12,440,598)	150,269,521	15,000,000	165,269,521	53,032,698	218,302,219	
Transactions with owners, recorded directly in equity																		
Distributions to owners																		
Dividends paid	31	-	-	-	-	-	(4,911,623)	-	-	-	-	-	(4,911,623)	-	(4,911,623)	(2,909,486)	(7,821,109)	
Total distributions to owners		-	-	-	-	-	(4,911,623)	-	-	-	-	-	(4,911,623)	-	(4,911,623)	(2,909,486)	(7,821,109)	
Changes in ownership interests in subsidiaries and associates																		
Acquisitions of non-controlling interests without a change in control		-	-	-	686,210	-	-	-	-	4,577	(1,098,591)	(1,094,014)	(407,804)	-	(407,804)	(883,924)	(1,291,728)	
Changes in interests in associates		-	-	-	(113,507)	-	-	-	-	-	-	-	(113,507)	-	(113,507)	-	(113,507)	
New shares issued by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	399,261	399,261	
Liquidation of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66)	(66)	
Total changes in ownership interests in subsidiaries and associates		-	-	-	572,703	-	-	-	-	4,577	(1,098,591)	(1,094,014)	(521,311)	-	(521,311)	(484,729)	(1,006,040)	
Total transactions with owners, recorded directly in equity		-	-	-	572,703	-	-	(4,911,623)	-	-	4,577	(1,098,591)	(1,094,014)	(5,432,934)	-	(5,432,934)	(3,394,215)	(8,827,149)
Comprehensive income for the year																		
Profit		-	-	-	-	-	18,455,806	-	-	-	-	-	18,455,806	-	18,455,806	5,642,070	24,097,876	
Other comprehensive income																		
- Gains (losses) on remeasurement of defined benefit plans	23	-	-	-	-	-	(1,078,896)	-	-	-	-	-	(1,078,896)	-	(1,078,896)	699	(1,078,197)	
- Others		-	-	-	-	-	-	-	165,479	(156,486)	(8,246,119)	(8,237,126)	(8,237,126)	-	(8,237,126)	(4,684,122)	(12,921,248)	
Total comprehensive income for the year		-	-	-	-	-	17,376,910	-	165,479	(156,486)	(8,246,119)	(8,237,126)	9,139,784	-	9,139,784	958,647	10,098,431	
Interest paid on subordinated perpetual debentures - net of income tax																		
	25	-	-	-	-	-	(701,107)	-	-	-	-	-	(701,107)	-	(701,107)	-	(701,107)	
Balance at 31 December 2019		8,611,242	57,298,909	3,470,021	4,072,786	(5,159)	929,166	103,579,286	(2,909,249)	13,977,518	(3,951,357)	(31,797,899)	(21,771,738)	153,275,264	15,000,000	168,275,264	50,597,130	218,872,394

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																	
		Gains (losses) on equity investments measured at fair value																	
		Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus from change in shareholders' equity in subsidiaries and associates	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Losses on cashflow hedges	Gains on comprehensive income	Foreign currency translation differences						Total other components of shareholders' equity
Note																			
Year ended 31 December 2020																			
Balance at 31 December 2019 - as reported		8,611,242	57,298,909	3,470,021	4,072,786	(5,159)	929,166	103,579,286	(2,909,249)	13,977,518	-	(3,951,357)	(31,797,899)	(21,771,738)	153,275,264	15,000,000	168,275,264	50,597,130	218,872,394
Impact of changes in accounting policies (net of income tax)		3	-	-	-	-	-	(2,175,091)	-	-	(611,448)	7,075,936	-	6,464,488	4,289,397	-	4,289,397	(484,972)	3,804,425
Balance at 1 January 2020		8,611,242	57,298,909	3,470,021	4,072,786	(5,159)	929,166	101,404,195	(2,909,249)	13,977,518	(611,448)	3,124,579	(31,797,899)	(15,307,250)	157,564,661	15,000,000	172,564,661	50,112,158	222,676,819
Transactions with owners, recorded directly in equity																			
Distributions to owners																			
Dividends paid		-	-	-	-	-	-	(6,502,850)	-	-	-	-	-	-	(6,502,850)	-	(6,502,850)	(4,971,936)	(11,474,786)
Shares repurchased		21	-	-	-	-	-	-	(6,088,210)	-	-	-	-	-	(6,088,210)	-	(6,088,210)	-	(6,088,210)
Total distributions to owners			-	-	-	-	-	(6,502,850)	(6,088,210)	-	-	-	-	-	(12,591,060)	-	(12,591,060)	(4,971,936)	(17,562,996)
Changes in ownership interests in subsidiaries and associates																			
Changes in interests in subsidiaries																			
without a change in control		-	-	-	(269,058)	-	-	-	-	-	-	-	3,585	3,585	(265,473)	-	(265,473)	310,360	44,887
Changes in interests in associates		-	-	-	(3,680)	-	-	-	-	-	-	-	-	-	(3,680)	-	(3,680)	-	(3,680)
New shares issued by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	251,590	251,590
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,051)	(6,051)
Loss of control in a subsidiary		6	-	-	-	1,009,893	-	-	291,802	-	-	-	(291,802)	216,698	(75,104)	1,226,591	-	1,226,591	-
Total changes in ownership interests in subsidiaries and associates			-	-	-	737,155	-	-	291,802	-	-	-	(291,802)	220,283	(71,519)	957,438	-	957,438	555,899
Total transactions with owners, recorded directly in equity			-	-	-	737,155	-	-	(6,211,048)	(6,088,210)	-	-	(291,802)	220,283	(71,519)	(11,633,622)	-	(11,633,622)	(4,416,037)
Comprehensive income for the year																			
Profit		-	-	-	-	-	-	26,022,389	-	-	-	-	-	-	26,022,389	-	26,022,389	18,069,595	44,091,984
Other comprehensive income																			
- Losses on remeasurement of defined benefit plans		23	-	-	-	-	-	(569,516)	-	-	-	-	-	-	(569,516)	-	(569,516)	(8,630)	(578,146)
- Others			-	-	-	-	-	-	-	10,855,862	(824,527)	(383,197)	(3,342,374)	6,305,764	6,305,764	-	6,305,764	6,484,695	12,790,459
Total comprehensive income for the year			-	-	-	-	-	25,452,873	-	10,855,862	(824,527)	(383,197)	(3,342,374)	6,305,764	31,758,637	-	31,758,637	24,545,660	56,304,297
Interest paid on subordinated perpetual debentures		25	-	-	-	-	-	(752,889)	-	-	-	-	-	-	(752,889)	-	(752,889)	-	(752,889)
Balance at 31 December 2020			8,611,242	57,298,909	3,470,021	4,809,941	(5,159)	929,166	119,893,131	(8,997,459)	24,833,380	(1,435,975)	2,449,580	(34,919,990)	(9,073,005)	176,936,787	15,000,000	191,936,787	70,241,781

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										
							Other components of equity			
	Issued and	Share premium		Surplus on		Unappropriated	Gain on	Total other	Subordinated	Total
	paid-up	on ordinary	Other	common control	Legal	retained	revaluation	components	perpetual	shareholders'
Note	share capital	shares	premium	transactions	reserve	earnings	of assets	of shareholders' equity	debentures	shareholders' equity
Year ended 31 December 2019										
Balance at 1 January 2019	8,611,242	56,408,882	3,470,021	490,423	929,166	53,265,283	2,821,928	2,821,928	15,000,000	140,996,945
Transactions with owners, recorded directly in equity										
Distributions to owners										
Dividends paid	31	-	-	-	-	(5,166,745)	-	-	-	(5,166,745)
Total distributions to owners		-	-	-	-	(5,166,745)	-	-	-	(5,166,745)
Total transactions with owners, recorded directly in equity										
	-	-	-	-	-	(5,166,745)	-	-	-	(5,166,745)
Comprehensive income for the year										
Profit		-	-	-	-	6,227,816	-	-	-	6,227,816
Other comprehensive income										
- Loss on remeasurement of defined benefit plans	23	-	-	-	-	(330,912)	-	-	-	(330,912)
Total comprehensive income for the year		-	-	-	-	5,896,904	-	-	-	5,896,904
Interest paid on subordinated perpetual debentures - net of income tax										
	25	-	-	-	-	(701,107)	-	-	-	(701,107)
Balance at 31 December 2019		8,611,242	56,408,882	3,470,021	490,423	53,294,335	2,821,928	2,821,928	15,000,000	141,025,997

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												
		Other components of equity												
		Gains (losses) on equity investments measured at fair value through other comprehensive income												
		Total other components of shareholders' equity												
		Subordinated perpetual debentures												
		Total shareholders' equity												
Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Losses on cashflow hedges	through other comprehensive income	components of shareholders' equity	Subordinated perpetual debentures	Total shareholders' equity	
Year ended 31 December 2020														
	Balance at 31 December 2019 - as reported	8,611,242	56,408,882	3,470,021	490,423	929,166	53,294,335	-	2,821,928	-	-	2,821,928	15,000,000	141,025,997
	Impact of changes in accounting policies (net of income tax)	3	-	-	-	-	(39,246)	-	-	(58,374)	410,167	351,793	-	312,547
	Balance at 1 January 2020	8,611,242	56,408,882	3,470,021	490,423	929,166	53,255,089	-	2,821,928	(58,374)	410,167	3,173,721	15,000,000	141,338,544
Transactions with owners, recorded directly in equity														
Distributions to owners														
	Dividends paid	31	-	-	-	-	(6,843,678)	-	-	-	-	-	-	(6,843,678)
	Shares repurchased	21	-	-	-	-	-	(6,088,210)	-	-	-	-	-	(6,088,210)
	Total distributions to owners		-	-	-	-	(6,843,678)	(6,088,210)	-	-	-	-	-	(12,931,888)
	Total transactions with owners, recorded directly in equity		-	-	-	-	(6,843,678)	(6,088,210)	-	-	-	-	-	(12,931,888)
Comprehensive income for the year														
	Profit		-	-	-	-	8,723,812	-	-	-	-	-	-	8,723,812
	Other comprehensive income													
	- Loss on remeasurement of defined benefit plans	23	-	-	-	-	(157,348)	-	-	-	-	-	-	(157,348)
	- Others		-	-	-	-	-	-	2,269,579	(33,618)	-	2,235,961	-	2,235,961
	Total comprehensive income for the year		-	-	-	-	8,566,464	-	2,269,579	(33,618)	-	2,235,961	-	10,802,425
	Interest paid on subordinated perpetual debentures	25	-	-	-	-	(752,889)	-	-	-	-	-	-	(752,889)
	Balance at 31 December 2020		8,611,242	56,408,882	3,470,021	490,423	929,166	54,224,986	(6,088,210)	5,091,507	(91,992)	410,167	5,409,682	138,456,192

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	
		Year ended 31 December		Year ended 31 December	
	<i>Note</i>	2020	2019	2020	2019
<i>Cash flows from operating activities</i>					
Profit for the year		44,091,984	24,097,876	8,723,812	6,227,816
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation		20,892,999	15,516,865	1,632,114	1,480,112
Amortisation		1,419,427	1,422,549	6,633	7,155
Depreciation of biological assets	11	6,015,966	6,096,743	133,415	136,019
(Reversal of) bad and doubtful debts expenses	9, 32	364,728	544,127	30,606	(667)
(Reversal of) losses on inventory devaluation	10	180,460	21,994	(61,310)	60,663
Interest income		(770,486)	(1,037,971)	(1,633,701)	(4,412,896)
Dividend income		(118,005)	(123,975)	(11,642,699)	(11,526,573)
Finance costs		16,817,964	13,784,629	4,869,857	4,532,208
(Gains) loss on sale of investments	7, 12, 14	(1,575,478)	(8,090,261)	(882,216)	454,210
Loss from liquidation of subsidiaries		313,649	4,682	-	-
Provisions for employee benefits	23	860,672	2,949,273	226,477	884,977
Losses on sale and write-off of property, plant, equipment, assets held for sale, right-of-use assets and other intangible assets		246,874	36,019	18,098	324,052
(Reversal of) impairment losses on property, plant and equipment and investment properties	16	446,211	911,916	(1,420)	-
(Reversal of) impairment losses	12	-	-	(160)	204,000
Impairment losses on goodwill	18	3,921,149	1,664,754	-	-
Reversal of impairment losses on assets held for sale		(11,067)	-	-	-
Unrealised (gains) losses on exchange rates		28,719	22,627	(33,525)	1,864
Gains on loss of control in a subsidiary	6	(11,198,660)	-	-	-
(Gains) losses on changes in fair value of biological assets	11	269,808	(3,235,453)	-	-
(Gains) losses on changes in fair value of investment in associate and joint venture	6	53,420	(9,236)	-	-
Unrealised losses on changes in fair value of derivative liabilities		1,655	-	-	-
Share of profit of associates and joint ventures	14, 15	(9,253,600)	(8,893,402)	-	-
Income tax expense	29	11,001,203	5,445,838	352,923	757,107
		83,999,592	51,129,594	1,738,904	(869,953)

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		Separate	
		financial statements		financial statements	
		Year ended 31 December 2020	2019	Year ended 31 December 2020	2019
Cash flows from operating activities (Continued)					
<i>Changes in operating assets and liabilities</i>					
Accounts receivable - trade and others		(260,762)	3,160,305	(142,777)	393,430
Inventories		575,381	(4,422,370)	(47,498)	932,914
Biological assets		(8,284,979)	(6,279,529)	(58,735)	(267,967)
Other current assets		(1,780,850)	1,636,308	(202,528)	(1,418)
Other non-current assets		(48,681)	(3,431,061)	5,975	34,348
Derivative assets		(4,486)	-	-	-
Accounts payable - trade and others		4,423,784	(701,690)	(35,878)	(45,830)
Other current liabilities		1,702,045	4,820,748	33,373	(74,897)
Derivative liabilities		382,725	-	-	-
Employee benefits paid		(628,383)	(406,213)	(171,497)	(261,711)
Income tax paid		(9,037,673)	(4,897,236)	(108,904)	(35,242)
Net cash provided by (used in) operating activities		71,037,713	40,608,856	1,010,435	(196,326)
Cash flows from investing activities					
Interest received		738,708	1,027,224	1,627,336	4,413,167
Dividends received		6,359,392	4,340,886	14,565,200	12,040,021
Proceeds from short-term loans to subsidiaries	7	-	-	19,950,000	17,547,000
Proceeds from short-term loans to joint ventures	7	-	(175,034)	-	-
Proceeds from (payment for) current investments		552,281	(72,333)	-	-
Payment for acquisition of investments		(46,922,922)	(20,849,756)	(40,146,339)	(41,379,647)
Proceeds from sale of investments		3,150,461	13,132,447	4,145,405	147,910
Net consideration paid for acquisition of subsidiaries		(1,018,349)	(577,541)	-	-
Effect in cash from loss of control in a subsidiary	6	(12,925,859)	-	-	-
Proceeds from long-term loans to subsidiaries	7	-	-	30,000	15,073,186
Payment for long-term loans to associate	7	(20,400)	(22,500)	-	-
Payment for acquisition of property, plant and equipment and investment properties		(26,522,878)	(25,531,536)	(331,855)	(737,248)
Proceeds from sale of property, plant and equipment and investment properties		1,321,877	2,513,466	7,527	67,584
Payment for acquisition of other intangible assets		(526,849)	(143,165)	(255)	(3,031)
Proceeds from sale of other intangible assets		2,922	900	63	1,551
Payment for acquisition of right-of-use assets		(106,932)	(298,805)	-	-
Proceeds from sale of right-of-use assets		-	8,058	-	-
Net cash provided by (used in) investing activities		(75,918,548)	(26,647,689)	(152,918)	7,170,493

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	
		Year ended 31 December		Year ended 31 December	
<i>Note</i>		2020	2019	2020	2019
<i>Cash flows from financing activities</i>					
Proceeds from short-term borrowings from					
financial institutions		417,527	13,914,810	2,550,000	2,850,000
Proceeds from bills of exchange		17,069,377	(11,054,392)	2,159,156	(1,262,674)
Proceeds from short-term borrowing					
from subsidiaries	7	-	-	6,799,470	6,500,000
Proceeds from short-term borrowings					
from related parties	7	415,689	55,747	-	-
Payment of lease liabilities		(4,875,257)	(124,313)	(229,655)	-
Payment to acquire treasury shares	21	(6,088,210)	-	(6,088,210)	-
Proceeds from long-term borrowings					
from financial institutions		53,415,180	21,476,171	-	558,515
Repayment of long-term borrowings					
from financial institutions		(35,329,731)	(17,953,247)	(259,926)	(218,037)
Proceeds from issue of debentures	20	53,641,742	17,000,000	25,000,000	-
Repayment of debentures		(21,633,249)	(12,432,700)	(16,260,000)	(8,500,000)
Payment of financial transaction costs		(607,442)	(29,843)	(23,827)	(20,530)
Interest paid		(16,399,509)	(14,228,113)	(5,911,654)	(5,055,378)
Dividends paid to non-controlling interests		(4,978,748)	(2,854,733)	-	-
Dividend paid of the Company - net of					
dividends paid to subsidiaries (for					
shares held in treasury)		(6,502,749)	(4,911,458)	(6,843,578)	(5,166,581)
Proceeds from issue of new ordinary shares		251,590	399,262	-	-
Proceeds from (payment for) acquisition of					
non-controlling interests		44,887	(1,291,728)	-	-
Payment for investment in subsidiaries with					
non-controlling interests		(8)	-	-	-
Net cash provided by (used in) financing activities		28,841,089	(12,034,537)	891,776	(10,314,685)

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

	<i>Note</i>	<i>(Unit: Thousand Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		23,960,254	1,926,630	1,749,293	(3,340,518)
Effect of exchange rate changes on cash and cash equivalents		69,676	(1,593,511)	(6)	(68)
Net increase (decrease) in cash and cash equivalents		24,029,930	333,119	1,749,287	(3,340,586)
Cash and cash equivalents at 1 January		30,376,585	30,043,466	1,062,807	4,403,393
Cash and cash equivalents at 31 December		54,406,515	30,376,585	2,812,094	1,062,807

Supplemental disclosures of cash flows information:

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	8	57,035,264	32,094,078	2,812,094	1,065,677
Bank overdrafts	20	(2,628,749)	(1,717,493)	-	(2,870)
Net		54,406,515	30,376,585	2,812,094	1,062,807

2. Non-cash transactions

2.1 As at 31 December 2020, the Group had accrued dividend income amounting to Baht 3,767 million (2019: The Group and the Company had accrued dividend income amounting to Baht 165 million and Baht 2,690 million, respectively).

2.2 During the year 2020, the Company entered into an agreement to acquire 90 million shares CP ALL Public Company Limited from a subsidiary (C.P. Merchandising Co., Ltd.) totalling Baht 5,377 million by offsetting the consideration for the shares with short-term loan to subsidiary.

2.3 During the year 2020, the Group and the Company had land revalued and recognised the increase in value of land in the consolidated and separate financial statements totalling Baht 14,866 million and Baht 2,838 million, respectively.

2.4 During the year 2020, a subsidiary of the Group acquired shares of the swine businesses in Republic of China by issuing new shares (see note 6).

The accompanying notes are an integral part of these financial statements.

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**Charoen Pokphand Foods Public Company Limited
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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 approved and authorised for issue by the executive directors on 24 February 2021.

1 General information

Charoen Pokphand Foods Public Company Limited, the “Company”, is incorporated in Thailand on 17 January 1978 and has its registered head office at 313 C.P. Tower, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 21 December 1987.

The principal activities 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 comprises shrimp and fish

The Group’s two main businesses are vertically integrated, starting from sourcing of 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 including operating food retail outlets and restaurants. 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 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<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) CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
1) CP Hilai Habour Co., Ltd.	Restaurant	Thailand	99.99	50.99
2) International Pet Food Co., Ltd.	Production and sale of pet food	Thailand	99.99	99.99
3) Dak Galbi Group Co., Ltd.	Restaurant	Thailand	59.99	41.35
4) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
Direct and indirect subsidiaries				
1) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
1.1) Chester’s Food Co., Ltd.	Restaurant	Thailand	99.99	99.99
1.2) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
1.3) CPF Food and Beverage Co., Ltd.	Production and sale of ready meals	Thailand	99.99	99.99
1.4) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurants	Thailand	99.99	99.99
1.4.1) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
1.4.1.1) Yipeng, LLC	Restaurant	United States of America	99.99	-
1.5) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	99.99	100.00
1.6) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	51.99	52.00
1.7) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
1.7.1) Paulsen Food GmbH	Distributor of meat products and investment	Germany	99.98	99.99
1.7.2) CP Foods (UK) Limited and subsidiaries	Importer and distributor of processed meat and ready meals	United Kingdom	99.98	99.99
1.7.3) The Foodfellas Limited	Importer of ingredients and food products	United Kingdom	99.98	34.51
1.7.4) Westbridge Food Group Limited	Investment	United Kingdom	99.99	100.00
1.7.4.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.99	100.00
1.7.4.2) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	99.99
1.7.4.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.99	100.00
1.7.4.4) Wignall Holdings Limited ⁽²⁾	Investment	United Kingdom	99.99	100.00
1.7.4.5) Westbridge Foods (Haydock) Limited	Distribution of meat products	United Kingdom	99.99	100.00
1.7.4.6) Westbridge Holding B.V.	Investment	Netherlands	99.99	100.00
1.7.4.7) Westbridge Foods (France) SARL	Distribution of meat products	France	99.99	100.00
1.7.4.8) Food Trac Limited	Distribution of meat products	United Kingdom	99.99	100.00
1.7.4.9) Westbridge Group License Companies	Importer of poultry meat products	United Kingdom	99.99	100.00
1.8) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	Hong Kong Special Administrative Region	99.99	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
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) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	99.99
Overseas operations				
Direct subsidiaries				
1) Bellisio Investment, LLC	Investment	United States of America	100.00	100.00
1.1) Bellisio Parent, LLC ⁽²⁾	Investment	United States of America	100.00	100.00
1.1.1) Arden International, LLC ⁽²⁾	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.2) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.3) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.4) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.4.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.6) The All American Gourmet Company ⁽²⁾	Production and distributor of ready meals	United States of America	100.00	100.00
2) C.P. Aquaculture (Hainan) Co., Ltd. ⁽²⁾	Aquaculture farming and hatchery business	China	100.00	100.00
3) C.P. Foods Holdings Limited	Investment	British Virgin Islands	100.00	100.00
4) C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
5) CP Foods Capital Limited	Investment	British Virgin Islands	100.00	-
6) CP Foods Singapore Pte Ltd.	Importer and distributor of processed meat and ready meals	Singapore	100.00	-
7) Charoen Pokphand Foods Kenya Co., Ltd. ⁽²⁾	Animal feedmill and livestock farming	Kenya	99.99	99.99
8) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
8.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
9) CPF Netherlands B.V.	Investment	Netherlands	99.99	99.99
9.1) CP Chozen Limited	Investment	United Kingdom	79.99	79.99
9.1.1) Chozen Holdings Limited	Restaurant	United Kingdom	79.99	79.99
9.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	79.99	79.99
9.2) CPF Canada Holdings Corp.	Investment in integrated swine business	Canada	99.99	99.99

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
9.3) Russia Baltic Pork Invest ASA	Investment	Norway	75.82	75.82
9.3.1) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
9.3.2) Finagro ASP	Financial service	Denmark	75.82	75.82
9.3.3) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.4) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
9.3.5) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.6) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.7) Pravdinsk Pig Production Closed Joint Stock Company	Livestock farming	Russia	75.82	75.82
9.3.8) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
9.3.9) RBPI Elite Seeds LLC	Production of elite seeds	Russia	75.82	-
9.3.10) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
9.3.11) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
9.4) Stesha LLC	Investment	Russia	99.99	99.99
9.4.1) CP Foods Trading LLC	Importer and exporter of meat products	Russia	99.99	-
9.4.2) JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	99.99	99.99
9.4.3) JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	99.99	99.99
9.5) Tops Foods NV	Production and distributor of ready meals	Belgium	84.07	84.07
10) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
10.1) PetRepublic Ltd.	Production and sale of pet food	Poland	60.00	66.67
11) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	100.00
Direct and indirect subsidiaries				
1) 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
1.2) CPF Foods LLC	Livestock farming	Russia	99.99	99.99
1.3) CPF Ryazan LLC	Livestock farming	Russia	99.99	99.99
1.4) CPF Serebryanie Prudy LLC	Livestock farming	Russia	99.99	99.99
1.5) CPF Construction LLC	Provision of consulting service on construction	Russia	99.99	99.99
2) Charoen Pokphand Foods Philippines Corporation	Production and sale of animal feed, farming and shrimp hatchery business	Philippines	99.99	99.99
2.1) A.P.P. Enterprise, Inc.	Property lease-out	Philippines	-	39.60
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
3.1) C.P. Enterprises Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.2) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.3) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.4) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.5) Golden Industrial Investment Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.6) Henan Chia Tai Biochemistry Trading Co., Ltd. ⁽¹⁾	Trading of animal drugs	China	35.17	35.17
3.7) Pucheng Chia Tai Biochemistry Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
3.8) Shanghai C.P. Industrial Trading Co., Ltd. ⁽²⁾	Sale of machine and spare part	China	50.43	50.43
3.9) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.24	52.24
4.1) AHM Lifestyles - Creative Hospitality Joint Stock Company (Formerly known as AHM Lifestyles - Creative Hospitality Co., Ltd.)	Restaurant	Vietnam	50.96	46.32
4.2) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	52.24	52.24
4.3) C.P. Aquaculture (Beihai) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.4) C.P. Aquaculture (Dongfang) Co., Ltd. ⁽³⁾	Shrimp hatchery business	China	52.24	100.00
4.5) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	52.24	-
4.6) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.7) C.P. Aquaculture (Zhangjiang) Co., Ltd. ⁽³⁾	Shrimp hatchery business	China	52.24	100.00
4.8) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.9) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.10) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.11) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.12) C.P. Food (Xiangyang) Co., Ltd.	Production and sale of processed food	China	-	52.24

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			2020	2019
4.13) C.P. Food (Xuzhou) Co., Ltd.	Production and sale of processed food and ready meals	China	-	52.24
4.14) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	52.24	52.24
4.15) C.P. Premix (Guanghan) Co., Ltd.	Production and sale of animal feed	China	-	47.54
4.16) C.P. Premix (Hangzhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.17) C.P. Premix (Liuzhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.18) C.P. Premix (Nantong) Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.19) C.P. Premix (Shenyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.20) C.P. Premix (Tianjin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.21) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	52.24	52.24
4.22) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	66.18	66.18
4.23) C.T. Progressive (H.K.) Limited	Investment	Bermuda	52.24	52.24
4.24) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.25) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	52.24	52.24
4.26) Chengdu Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.27) Chia Tai Akesu Feed Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.28) Chia Tai Aquaculture (Nantong) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.29) Chia Tai (Beijing) Investment Management Co., Ltd.	Rendering management and advisory service	China	52.24	52.24
4.30) Chia Tai Investment Co., Ltd.	Investment and trading	China	-	52.24
4.31) Chia Tai Feed (Chongyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.32) Chia Tai Feed Dongying Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.33) Chia Tai Feed (Harbin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.34) Chia Tai Feed (Helin) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.35) Chia Tai Feed (Hengshui) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.36) Chia Tai Feed (Hengyang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.37) Chia Tai Feed (Qianjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.38) Chia Tai Feed (Shuixi) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.39) Chia Tai Feed (Sui zhou) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.40) Chia Tai Feed (Suqian) Co., Ltd.	Production and sale of animal feed	China	-	-
4.41) Chia Tai Feed (Yiwu) Co., Ltd.	Production and sale of animal feed	China	-	28.73
4.42) Chia Tai Feed (Yushu) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.43) Chia Tai Feed (Zhanjiang) Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.44) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.45) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	52.24	52.24
4.46) Chia Tai (Hainan) Agro-Industry Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.47) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.48) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.49) Chongqing Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.50) Chongqing Shuangqiao Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.51) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24

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			2020	2019
4.52) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	52.24	52.24
4.53) CP China Investment Limited	Investment	Cayman Islands	52.24	52.24
4.54) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.55) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	52.24	52.24
4.56) CP Group (Inner Mongolia) Nutrition Technology Flocks and Herds Service Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.57) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	66.18	66.18
4.58) Dali Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.59) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	52.24	-
4.60) Fujian Chia Tai Food Co., Ltd. ⁽¹⁾	Sale of processed poultry meat	China	36.57	36.57
4.61) Fujian Hetai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
4.62) Fujian Longzeji Feed Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.63) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.64) Ganzhou Chia Tai Industrial Co., Ltd.	Production and sale of animal feed	China	-	41.79
4.65) Guang An Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.36
4.66) Guangdong Chia Tai Biotechnology Co., Ltd.	Production and sale of probiotics	China	-	52.24
4.67) Guilin Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.68) Guiyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.69) Hainan Chia Tai Animal Husbandry Co., Ltd.	Property lease-out for use in production and sale of animal feed	China	-	52.24
4.70) Hannick Limited	Property investment	Hong Kong Special Administrative Region	52.24	52.24
4.71) Hefei Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.72) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.24	52.24
4.73) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.74) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	52.24	52.24
4.75) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.76) Inner Mongolia Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.22
4.77) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.24	52.24
4.78) Jiangsu Huai Yin Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	45.97
4.79) Jilin Chia Tai Enterprise Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.80) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	52.24
4.81) Ji Lin De Da Feed Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.82) Jinan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	33.96

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			2020	2019
4.83) Jiujiang Chia Tai Feedstuffs Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.84) Kaifeng Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.85) Kunming Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	48.26
4.86) Lanzhou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.34
4.87) Lianyugang Chia Tai Agro- Industry Development Co., Ltd. ⁽¹⁾	Production and sale of animal feed	China	-	27.30
4.88) Longyan Baotai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	36.57	36.57
4.89) Longyan Chia Tai Co., Ltd. ⁽¹⁾	Production of processed poultry meat	China	36.57	36.57
4.90) Mianyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	41.79
4.91) Modern State Investments Limited	Investment	British Virgin Islands	52.24	52.24
4.92) Nanchang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.93) Nanning Chia Tai Animal Husbandry Company Limited	Production and sale of animal feed	China	-	47.88
4.94) Nantong Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.95) Nantong Chia Tai Feedmill Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.96) Nanyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	47.54
4.97) Neijiang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.98) Ningbo Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.99) Pingdingshan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.100) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.101) Shaanxi Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	50.15
4.102) Shanxi Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.29
4.103) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.104) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.105) Shuangliu Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	36.57
4.106) Tai Zhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	China	-	50.15
4.107) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.108) Urumqi Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	China	-	48.81
4.109) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.110) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.111) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.112) Wuxuan Chia Tai Animal Husbandry Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.113) Xiamen Chia Tai Agriculture Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.114) Xiamen Sumpo Food Trading Co., Ltd.	Sale of processed poultry meat	China	-	36.57
4.115) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.116) Xuzhou Chia Tai Feed Co., Ltd.	Production and sale of animal feed	China	-	33.96
4.117) Yichang Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.118) Yinchuan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	44.41
4.119) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	52.24
4.120) Zhangjiakou Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.35
4.121) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd. ⁽³⁾	Shrimp farming	China	52.24	100.00
4.122) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	52.24

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			2020	2019
4.123) Zhumadian Chia Tai Co., Ltd.	Production and sale of animal feed	China	-	31.87
5) CPF Tanzania Limited ⁽²⁾	Animal feedmill and livestock farming	Tanzania	-	99.99
Indirect subsidiaries				
1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2) C.P. Cambodia Co., Ltd.	Production and sale of animal feed, livestock farming and processed food	Cambodia	100.00	100.00
2.1) Cambodia Property and Trading Co., Ltd. ⁽¹⁾	Property lease-out	Cambodia	49.00	49.00
3) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
4) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	100.00	100.00
5) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
6) Charoen Pokphand (USA), Inc. ⁽²⁾	Broiler chicken integration	United States of America	99.97	99.97
7) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽¹⁾	Chicken integration and livestock farming	Republic of China (Taiwan)	39.00	39.00
7.1) Arbor Acres (Taiwan) Co., Ltd. ⁽¹⁾	Livestock farming	Republic of China (Taiwan)	19.50	19.50
7.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽¹⁾	Importer and distributor of feedstuff additives and animal vaccines	Republic of China (Taiwan)	35.10	35.10
7.3) Chia Tai Lianyungang Co., Ltd. ⁽¹⁾	Investment	Hong Kong Special Administrative Region	39.00	39.00
7.4) Plenty Type Limited ⁽¹⁾	Investment	Cayman Islands	39.00	39.00
7.5) Rui Fu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	19.89	19.89
7.6) Rui Mu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	26.52	20.28
7.7) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	11.93	19.89
8) Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99
8.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
8.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
8.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
8.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
8.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99

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			2020	2019
8.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
9) Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	100.00	100.00
10) Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	Malaysia	100.00	49.75
10.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	49.75
10.2) Charoen Pokphand Feedmills (B' worth) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.3) Charoen Pokphand Feedmills (M) Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.4) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	Malaysia	100.00	49.75
10.5) Linggi Poultry Farm (M) Sdn. Bhd. ⁽²⁾	Property lease-out	Malaysia	100.00	49.75
10.6) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	49.75
10.7) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	49.75
11) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
11.1) Chun Ta Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
12) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
12.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	75.00
13) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
14) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
15) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
15.1) Ta Chung Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
16) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
17) Norfolk Foods (Private) Limited	Production and sale of ready meals	Sri Lanka	80.00	80.00

(1) The Group has the power to govern those companies

(2) Operations wound up

(3) During the year 2020, the Company sold the entire shares of investment in C.P. Aquaculture (Dongfang) Co., Ltd., C.P. Aquaculture (Zhanjiang) Co., Ltd. and Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd. to a subsidiary of C.P. Pokphand Co., Ltd.

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2 Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes accounting policies in note 3.

The Federation of Accounting Professions has revised a number of TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021. The Group has not early adopted these TFRSs in the preparation of these financial statements. The Group has initially assessed the potential impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

2.2 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. 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.

2.3 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 the Group’s accounting policies. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Accounting policies which have the information about significant areas of estimation uncertainty and critical judgments that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4 and 17	Determining the incremental borrowing rate to measure lease liabilities
Note 5	Impact of COVID-19 Outbreak
Note 6	Fair value of the assets acquired and liabilities assumed
Note 11	Measurement of biological assets
Note 12, 14 to 16, 18 and 19	Key assumptions underlying recoverable amounts
Note 23	Measurement of defined benefit obligations
Note 29	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
Note 32	Measurement of ECL allowance for account receivables - trade and others and determining the fair value of financial instruments on the basis of significant unobservable inputs.

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3 Change in accounting policy

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	Unappropriated retained earnings	Other components of equity	Unappropriated retained earnings	Other components of equity
At 31 December 2019 - as reported	103,579	(21,772)	53,294	2,822
<i>Increase (decrease) due to:</i>				
Adoption of TFRS – Financial instruments standards				
Classification of financial instruments, derivative and hedge accounting	-	6,595	-	440
Impairment losses on financial assets	(90)	-	(42)	-
Related tax	21	(130)	8	(88)
Adoption of TFRS 16 – net of tax	(2,106)	-	(5)	-
	(2,175)	6,465	(39)	352
At 1 January 2020 - restated	101,404	(15,307)	53,255	3,174

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d). The impact from adoption of TFRS – Financial instruments standards are as follows:

1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

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The Group and the Company intend to hold non-marketable equity securities for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss upon disposal of the investment.

2) Impairment – Financial assets

TFRS 9 requires forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The Group has determined that the application of TFRS 9’s impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
Allowance for impairment losses at 31 December 2019		
Allowance for doubtful account - Accounts receivable - trade and others	1,042	5
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Accounts receivable - trade and others	90	42
Allowance for impairment losses at 1 January 2020	1,132	47

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

3) Derivatives and hedge accounting

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Group documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

These hedging relationships are cash flow hedges.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, the Group accounted for these transactions as described in accounting policies in note 4(d.5) and 4(d.6).

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B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously under TAS 17, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group recognised right-of-use assets and lease liabilities for every contracts (except leases with less than 12 months of lease term and low value assets) which is the similar method as finance leases under the superseded TAS 17. In addition, TFRS16 requires the Group to assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price).

As a result of the above requirements under TFRS16, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and finance cost on lease liabilities.

On transition, the Group also elected to use the following recognition exemptions:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term and low value assets;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in prepaid expenses	(44)	(25)
Decrease in investments in associates	(509)	-
Decrease in property, plant and equipment	(3,105)	-
Decrease in leasehold rights	(8,520)	-
Increase in right-of-use assets	37,462	423
Increase (decrease) in deferred tax assets	447	(5)
Increase in lease liabilities	28,322	398
Decrease in retained earnings	(2,106)	(5)
Decrease in non-controlling interests	(485)	-

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	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16 (Continued)</i>		
<i>Measurement of lease liability</i>		
<i>At 1 January 2020</i>		
Operating lease commitment as disclosed at 31 December 2019	41,182	692
Recognition exemption for short-term leases	(378)	(30)
Recognition exemption for leases of low-value assets	(16)	(1)
Extension and termination options reasonably certain to be exercised	420	-
Variable lease payments based on an index or a rate	(79)	(27)
	<u>41,129</u>	<u>634</u>
Discounted using the incremental borrowing rate	(12,807)	(236)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	28,322	398
Finance lease liabilities recognised at 31 December 2019	2,795	-
Lease liabilities recognised at 1 January 2020	<u>31,117</u>	<u>398</u>
Weighted-average incremental borrowing rate (% per annum)	6.54	2.49

Right-of-use assets and lease liabilities shown above were presented as part of livestock business and aquaculture business segments.

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.

(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 joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when the Group has control, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. All relevant facts and circumstances are considered in determining the acquisition date and determining whether control is transferred from one party to another. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Goodwill, at initial recognition, is measured at the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, when purchase price is more than the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When purchase price is less than net recognised amount of the identifiable assets acquired and liabilities assumed, gain on bargain purchase is immediately recognised in profit or loss.

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Any consideration/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. In the event that contingent consideration is classified as asset or liability, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that are incurred in connection with a business combination are recorded as expenses as incurred.

If the business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period by the subsequently obtained information, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. If subsidiaries of the Group use 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 to comply with the accounting policies of the Parent in preparing the consolidated financial statements.

Losses in a subsidiary which related to non-controlling interests are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or the fair value.

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Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently it is accounted for as new types of investment depending on the level of influence retained.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses, are eliminated in full in preparing the consolidated financial statements. Unrealised gains or losses arising from associates and joint ventures 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) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

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.

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(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency 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 the functional currency at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign operations 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 foreign currency translation differences in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the Group shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income.

A monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item and related hedging transactions are considered to form part of a net investment in a foreign operation and are presented in the same way as foreign exchange differences arising from translation.

(d) Financial Instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis and non-cancellation.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise and non-cancellation.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment

‘Principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss. However, See note 4(d.6) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. (See note 4(d.6) for financial liabilities designated as hedging instruments).

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged.

(d.6) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

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When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Accounting policies applicable before 1 January 2020

Investments

Investments held as available for sale

Investments held as available for sale are investments in marketable equity securities that are non-subsidaries and/or non-associates and/or non-joint ventures, other than those securities held for trading or intended to be held to maturity. Investments held as available for sale are, subsequent to initial recognition, 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.

General investments

General investments are investments in equity securities of related and other companies that are non-subsidaries and/or non-associates and/or non-joint ventures, which are not marketable and are stated at cost less accumulated impairment losses.

Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate arising from operational, financing and investment activities. Derivatives are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss depending on the nature of the item being hedged. The gain or loss on remeasurement is recognised depending on the nature of the item being hedged.

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Hedging

Hedge of future foreign currency transactions

The Group has a policy to mitigate the foreign exchange risk of the foreign currencies monetary transactions by entering into forward exchange contracts. In this regard, all monetary transactions are translated to the functional currency of the Company and subsidiaries 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 gains or losses 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 as deferred transaction until the transactions are completed then recognises gains or losses in profit or loss.

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.

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.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(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 bank overdrafts that are repayable on demand.

Deposits that have a restriction on use are presented separately in the account “Restricted deposits at financial institutions” in the statement of financial position.

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are recognised when the Group has an unconditional right to receive consideration and are stated at their invoice value less allowance for impairment losses (2019: 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

Finished goods, raw materials, chemicals, medicals and supplies are measured principally at the lower of average cost and net realisable value.

Work in progress is measured principally at the lower of 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 fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at 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 consisting 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 classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to 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 or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) 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 measured 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.

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each type of property. The estimated useful lives are 5-50 years.

Transfers to property and plant

The carrying amount of investment properties is transferred to property and plant at the date of change in use and measured in accordance with accounting policy of property and plant.

(k) Property, plant and equipment

Recognition and measurement

Owned assets of the Group

Land used for operations is measured at revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

Plant and equipment are measured 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. Purchase software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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 or 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.

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 of subsequent increase will credit to other comprehensive income only for the amount higher than the previous decrease 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 are stated at carrying amount of the property transferred at the date of the change in use.

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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.

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 - 60	years
Building improvements and leasehold improvements	3 - 60	years
Water and electricity systems	3 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	2 - 20	years
Vehicles	2 - 25	years

No depreciation is provided on land and assets under construction and installation.

Depreciation methods, estimated useful lives and residual values are reviewed at each financial year-end.

(I) 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 and joint ventures is included in the carrying amount of the investment in associates and joint ventures.

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.

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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 measured at cost less accumulated amortisation and impairment losses.

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 trademarks, 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, from the date that they are available for use.

The estimated useful lives are as follows:

Development cost of software applications	3 - 20	years
Software licenses	3 - 20	years
Trademarks	8 - 20 years and indefinite useful life	
Customer relationship	10 - 15	years
Development cost of products	5, 15	years
Trademark licenses	15	years

Amortisation methods, estimated useful lives and residual values are reviewed at each financial year-end.

(m) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the leased asset.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, 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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Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(n) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), except for investment in equity securities.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a contract.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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The Group assumes that the credit risk on a financial asset has increased significantly if there is significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised. 'Credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, and a breach of contract.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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Reversal 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, the reversal is recognised in profit or loss.
- (2) For equity securities, the reversal is recognised directly in profit or loss.

(o) Impairment of non-financial assets

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 equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset 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.

Reversal of impairment

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 is reversed 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) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(q) 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

Obligations for defined benefit plans are 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.

When the benefits of a plan are changed, the resulting change in benefit that relates to past service is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed in profit or loss at the earlier of:

- (1) When the Group can no longer withdraw the offer of those benefits or
- (2) When the Group recognises costs for a restructuring

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(r) 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.

(s) Treasury shares

Treasury shares are the Company's ordinary shares held by subsidiaries and recorded at fair value at the acquisition date. They are recognised at fair value and deducted 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 earnings after setting off against any remaining balance of surplus.

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(t) Measurement of fair values

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(u) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

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Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Other 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 operating income is recognised in profit or loss on the accrual basis.

(v) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss on the accrual basis.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, 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 periods 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) 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.

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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 which is 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(x) *Earnings per share*

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated from the profit or loss attributable to ordinary shareholders of the Company less cumulative interest expense (net of income tax) on subordinated perpetual debentures and divided by the weighted average number of ordinary shares held by third parties outstanding during year. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares held by third parties, for the effects of all diluted potential ordinary shares, which comprise convertible bonds.

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(y) *Related parties*

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.

(z) *Segment reporting*

Segment results that are reported to the Group's management (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, the lockdown of the risky area, the prohibition to entry the country, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation, providing co-operation to the government to ensure the sufficiency of food consumption for people and building confidence of the safety of the Group's staff and fully attempt to minimise the impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) *Impairment of assets*

The Group considered impairment of trade and other accounts receivable under simplified approach using historical loss rate and did not take factors with high uncertainty on the COVID-19 situation into account.

There was high uncertainty under COVID-19 situation; hence, the Group elected to exclude it as impairment indicator for property, plant and equipment, investment properties, intangible assets, and to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill, intangible assets with an indefinite useful life and intangible assets under installation.

(b) *Lease modifications*

The Group was granted a rent concession as a result of the COVID-19 situation. The Group gradually deducted lease liabilities, reversed depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences from the reduced rental in profit or loss.

(c) *Fair value measurement*

The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

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(d) Deferred tax assets

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

6 Acquisition of a subsidiary and loss of control in a subsidiary

(a) Acquisition of a subsidiary

Share acquisition of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)

On 31 July 2020, CPF Investment Limited (“CPFI”), a subsidiary which 100% of its issued and paid-up share capital being owned by the Company, acquired the remaining ordinary shares of an overseas associate (Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)), from Standard Investment Pte. Ltd., a 100% indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”) at the amount of MYR 177 million or approximately Baht 1,281 million.

CPHM is incorporated in Malaysia and principally engages in integrated poultry businesses.

The Group obtained control of CPHM on 31 July 2020 (“Acquisition date”) through the acquisition of 50.25% interests combined with the Group’s interests previously had 49.75%, as a result, the Group held 100.00% interests of issued and paid-up share capital in CPHM.

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2019) *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

(Unit: Million Baht)

	Fair value
Cash	<u>1,281</u>

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Identifiable assets acquired and liabilities assumed

(Unit: Million Baht)

	Fair value
Cash and cash equivalents	257
Accounts receivable - trade and others	1,186
Inventories	756
Current biological assets	383
Other current assets	128
Property, plant and equipment	3,072
Right-of-use assets	344
Intangible assets	3
Deferred tax assets	55
Other non-current assets	58
Bank overdrafts and short-term borrowings from financial institutions	(1,488)
Accounts payable - trade and others	(507)
Current portion of long-term borrowings	(99)
Current portion of lease liabilities	(47)
Other current liabilities	(239)
Long-term borrowings	(351)
Lease liabilities	(205)
Deferred tax liabilities	(132)
Net assets	3,174
Fair value of equity interests in CPHM prior to acquisition	(1,269)
Gain on bargain purchase	(624)
Consideration transferred	1,281
Cash received from acquisition of subsidiary	(257)
Net consideration paid for acquisition of subsidiary	1,024

As at the acquisition date, the Group had to measure the fair value of equity interests in CPHM prior to acquisition. The measurement resulted in loss on changes in fair value which was recognised as “Loss on changes in fair value of investment in an associate” in the consolidated statements of income for the year ended 31 December 2020. Details as follows:

(Unit: Million Baht)

Fair value of equity interests in CPHM prior to acquisition	1,269
Less investment in CPHM accounted for equity method in CPFI at the acquisition date	(1,322)
Loss on changes in fair value of investment in an associate	(53)

As at 31 December 2020, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3 (revised 2019). In this regards, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

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Operating results of CPHM for the period from 31 July 2020 to 31 December 2020 included in the consolidated statement of income for the year ended 31 December 2020 has significant details as follows:

	<i>(Unit: Million Baht)</i> For the year ended 31 December 2020
Revenue from sale of goods	4,002
Profit for the period attributable to equity holders of the Company	32

If the acquisition of CPHM had occurred on 1 January 2020, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the period ended 31 December 2020 would have been as follows:

	<i>(Unit: Million Baht)</i> For the year ended 31 December 2020
Revenue from sale of goods	595,105
Profit for the period attributable to equity holders of the Company	26,103

(b) Loss of control in a subsidiary

On 1 December 2020, Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary through C.P. Pokphand Co., Ltd. (“CPP”) acquired shares of the swine businesses in China from Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. (the “Seller”), an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”), whereby CTI issued new shares equaled to 65.00% of its registered capital after the share increased to the Seller as the consideration (“Transaction”). The value of the Transaction is RMB 28,140 million or approximately Baht 131,287 million.

Upon the completion of the transaction, CTI changed its status from a subsidiary of the Group to an associate and the Group lost control in CTI whereby CPP and the Group hold 35.00% and 18.28% in CTI, respectively.

The carrying amount of equity interest in CTI in the Group’s consolidated statement on the date of the transaction was Baht 59,846 million. In this regard, the fair value of the Group’s retained interest in CTI was Baht 71,045 million based on the independent appraisal report, which became the initial investment cost of CTI. The Group recognised a gain on loss of control in a subsidiary of Baht 11,199 million.

The purchase price allocation is a judgemental exercise to determine the fair value of assets acquires and liabilities assumed from the acquisition. However, the assessment of fair value was not yet completed as at 31 December 2020. The fair value is estimated for accounting records.

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The carrying amount of net assets on the date when control of CTI was lost comprised the following:

		<i>(Unit: Million Baht)</i>
	<i>Note</i>	
Cash and cash equivalents		12,926
Accounts receivable - trade and others		10,061
Inventories		11,557
Other current assets		2,259
Investments in equity securities	32	512
Investments in associates	14	3,498
Investments in joint ventures	15	572
Investment properties		212
Property, plant and equipment		23,345
Right-of-use assets		6,446
Other intangible assets	19	1,030
Goodwill	18	28,547
Deferred tax assets	29	194
Other non-current assets		140
Current liabilities		(37,687)
Deferred tax liabilities	29	(1,080)
Non-current liabilities		(7,594)
Carrying amount of net assets		<u>54,938</u>
Carrying amount attributable to equity holders of the Company		30,643
Carrying amount attributable to non-controlling interests		24,295
Total shareholders' equity		<u>54,938</u>
Effect in cash from loss of control in a subsidiary		<u>(12,926)</u>
Fair value of interest in CTI	14	71,045
Less carrying amount of investment previously held and equity interest in CTI		(59,846)
Gain on loss of control in a subsidiary		<u>11,199</u>
Gain on loss of control in CTI		
Attributable to equity holders of the Company		3,909
Attributable to non-controlling interests		7,290
Total		<u>11,199</u>

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7 Related party transactions

Relationships with subsidiaries, associates and joint ventures are described in notes 12, 14 and 15. The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 48.42% of the Company's voting rights as of the latest closing date of shareholder register book on 2 June 2020.

The pricing policies for particular types of transactions with related parties 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/ Agreement that mutually agreed
Purchase and sale of investments	Fair value/ Agreement that mutually agreed
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/rate per total revenue
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

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
(a) Income					
	Significant influence entity				
	Sale of goods	1	2	-	-
	Software application income	1	1	-	-
	Training and seminar income	-	1	-	-
	Rental, service and other income	-	1	-	-
	Subsidiaries				
	Dividend income	-	-	11,522	11,517
	Sale of goods	-	-	4,808	2,733
	Interest income	-	-	1,585	4,362
	Gain on sale of investments	-	-	853	-
	Rental, service and other income	-	-	6	6
	Gain on sale of fixed assets	-	-	-	14

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				(Unit: Million Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
(a)	<i>Income (Continued)</i>				
	Associates, joint ventures and related companies				
	Sale of goods	77,233	63,079	2,023	1,248
	Rental, service and other income	259	214	4	4
	Dividend income	116	124	121	9
	Software application income	62	72	-	-
	Interest income	14	14	-	-
	Training and seminar income	5	8	-	-
	Gain on sale of fixed assets	2	36	-	-
(b)	<i>Expenses and others</i>				
	Significant influence entity				
	Purchase of raw materials and goods	9,526	9,537	2,083	2,296
	Trademark license fees	4,030	2,987	303	233
	Technical service fees	58	444	-	9
	Subsidiaries				
	Purchase of raw materials and goods	-	-	1,691	2,368
	Interest expense	-	-	364	45
	Software application fees	-	-	147	158
	Training and seminar fees	-	-	13	19
	Rental and service fees	-	-	8	56
	Purchase of intangible assets	-	-	1	-
	Loss on sale of investment	-	-	-	454
	Other expenses	-	-	54	44
	Associates, joint ventures and related companies				
	Purchase of raw materials and goods	76,645	65,512	694	544
	Construction costs of buildings, structures and others	2,362	3,648	71	196
	Rental and service fees	1,276	1,912	112	258
	Purchase of right-of-use assets	1,097	-	182	-
	Training and seminar fees	526	258	12	28
	Purchase of trademarks	377	-	-	-
	Purchase of equipment and others	206	186	20	38
	Trademark license fees	64	92	-	-
	Software application fees	75	70	-	-
	Interest expense	19	12	-	-
	Other expenses	1,737	1,618	128	119

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(c) **Business acquisition**

- (c.1) CPF Investment Limited (“CPFI”), a subsidiary which 100% of its issued and paid-up share capital being owned by the Company, acquired the remaining ordinary shares of an overseas associate (Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”)), from Standard Investment Pte. Ltd., an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”). As at 31 December 2020, the transaction was completed and disclosed in note 6 (a).
- (c.2) Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary through C.P. Pokphand Co., Ltd. (“CPP”) acquired shares of the swine businesses in China from Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. (the “Seller”), an indirectly owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”). As at 31 December 2020, the transaction was completed and disclosed in note 6 (b).

7.2 Balances with related parties as at 31 December were as follows:

7.2.1 Accounts receivable - trade and others

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Significant influence entity	1	2	-	-
Subsidiaries	-	-	523	659
Associates and joint ventures	4,680	5,182	37	39
Related companies	3,772	7,371	593	530
Total	8,453	12,555	1,153	1,228

7.2.2 Short-term loans

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Joint ventures	-	188	-	64
Total	-	188	-	64

	Separate financial statements			
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Subsidiaries	20,024	43,075	23,912	47,451
Total	20,024	43,075	23,912	47,451

The Group and the Company computes the average balance from the outstanding balances of short-term loans at the end of each month excluding accrued interest income.

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7.2.3 Advance payments for purchase of goods

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint ventures	41	8	-	-
Related companies	725	3,685	-	-
Total	766	3,693	-	-

7.2.4 Accrued dividend income

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiaries	-	-	-	2,690
Associates	3,729	128	-	-
Related companies	38	37	-	-
Total	3,767	165	-	2,690

7.2.5 Accrued interest income

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint ventures	-	1	-	-
Total	-	1	-	-

7.2.6 Long-term loans

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Associate	49	29	44	6
Total	49	29	44	6

	Separate financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2020	2019	2020	2019
Subsidiary	570	600	575	15,799
Total	570	600	575	15,799

The Group and the Company computes the average balance from the outstanding balances of long-term loans at the end of each month excluding accrued interest income.

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7.2.7 Accounts payable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2020	2019	2020	2019
Significant influence entity	1,167	429	71	63
Subsidiaries	-	-	62	97
Associates and joint ventures	4,573	497	7	6
Related companies	6,146	4,664	59	84
Total	11,886	5,590	199	250

7.2.8 Short-term borrowings

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Associate	414	-	84	-
Related company	9	-	1	-
Joint ventures	-	657	-	615
Total	423	657	85	615

	Separate financial statements		<i>(Unit: Million Baht)</i>	
	Outstanding balance		Average balance	
	2020	2019	2020	2019
Subsidiaries	13,251	6,500	9,968	1,542
Total	13,251	6,500	9,968	1,542

The Company and the Group compute the average balance from the outstanding balances of short-term borrowings at the end of each month excluding accrued interest expense.

7.2.9 Lease liabilities

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2020	2019	2020	2019
Subsidiary	-	-	42	-
Associates	553	-	-	-
Related companies	3,048	-	264	-
Total	3,601	-	306	-

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7.3 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 December are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2020	2019	2020	2019	2020	2019
Short-term loans to joint ventures	-	188	-	-	-	4.74
Long-term loans to associate	-	29	49	-	2.81	3.51
Short-term borrowing to associates	414	-	-	-	4.18	-
Short-term borrowing from joint ventures	-	657	-	-	-	2.00
Short-term borrowing from related company	9	-	-	-	6.50	-

(Unit: Million Baht)

	Separate financial statements					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2020	2019	2020	2019	2020	2019
Short-term loans to subsidiaries	-	-	20,024	43,075	5.88	6.88
Long-term loans to subsidiary	570	600	-	-	5.00	5.00
Short-term borrowing from subsidiaries	13,251	6,500	-	-	3.52	3.85

7.4 Key management personnel compensation

Key management personnel compensation consists of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>For the year ended 31 December</i>				
Short-term employee benefits	1,556	1,324	205	169
Post-employment under defined benefit plans	26	60	5	15
Total	1,582	1,384	210	184
<i>As at 31 December</i>				
Provisions for employee benefits	627	466	98	108
Total	627	466	98	108

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7.5 Commitments

As at 31 December, the Group had commitments with related parties as follows:

Capital commitments

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	318	703	2	7

7.6 Significant agreements

As at 31 December 2020, the Group had the following significant agreements with related parties:

7.6.1 Technical service agreement

Certain foreign subsidiaries have a technical service agreement with a significant influence entity, Charoen Pokphand Group Company Limited (“CPG”) for the right to obtain technical service as stipulated in the agreement. In this regard, the foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreement.

7.6.2 Trademark agreements

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use trademarks as stipulated in the agreements. In this regard, the Company and subsidiaries are committed to pay trademark license fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreements.

CPF Restaurant and Food Chain Co., Ltd., a 99.99% indirectly owned subsidiary of the Company, entered into an agreement with a related company (Star Marketing Co., Ltd. and Farm Factory World Co., Ltd.) to acquire a trademark for total consideration of Baht 349 million and Baht 28 million.

7.6.3 Application system service agreement

A subsidiary had an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”) as stipulated in the agreement. 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 in accordance with the terms, conditions and rates as stipulated in the agreement.

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7.6.4 Service agreements for import and export transactions

The Company and certain subsidiaries have service agreements with a related company, C.P. Intertrade Co., Ltd. (“CPI”) as stipulated in the agreements. 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 in accordance with the terms, conditions and rates as stipulated in the agreements.

7.6.5 Software application agreements

A subsidiary (CPF IT Center Co., Ltd.) has information technology service and software application agreements with local and foreign related companies. The terms and the service fees are stipulated in the agreements. The agreements may be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

7.6.6 Share Purchase Agreement

During the year 2019, the Company entered into the Share Purchase Agreement to sell 100% equity capital held by the Company in C.P. Aquaculture (Dongfang) Co., Ltd., Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd., and C.P. Aquaculture (Zhanjiang) Co., Ltd., to CP China Investment Limited which is a foreign indirect subsidiary for a total consideration of Renminbi 425 million or equivalent to approximately Baht 1,946 million. As at 31 December 2019, the Company classified these investments in subsidiaries to non-current assets classified as held for sale in the separate statement of financial position.

As at 31 December 2020, the transaction has been completed. The Company recognised gain on sale of investment amounting Baht 804 million in the separate statements of income.

8 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash at financial institutions and on hand	46,116	25,342	2,812	1,066
Highly liquid short-term investments	10,919	6,752	-	-
Total	57,035	32,094	2,812	1,066

(Unit: Million Baht)

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9 Accounts receivable - trade and others

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		2020	2019	2020	2019
	Related parties	8,453	12,555	1,153	1,228
	Other parties	22,509	21,605	1,508	1,285
	Total	30,962	34,160	2,661	2,513
	<i>Less</i> allowance for impairment losses	(1,010)	(1,042)	(77)	(5)
	Net	29,952	33,118	2,584	2,508
Impairment losses (reversal of) for the year ended 31 December		365	544	31	(1)

10 Inventories

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
	Raw materials	25,419	32,346	1,286	1,495
	Chemicals and supplies	2,840	2,874	161	154
	Work in progress	1,950	1,620	243	268
	Finished goods	16,220	18,023	1,123	853
	Inventories in transit	6,441	6,677	8	3
	Total	52,870	61,540	2,821	2,773
	<i>Less</i> allowance for decline in value of inventories	(734)	(553)	(45)	(106)
	Net	52,136	60,987	2,776	2,667

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2020 amounted to Baht 386,933 million (2019: Baht 350,951 million) in the consolidated statement of income and Baht 14,641 million (2019: Baht 14,012 million) in the separate statement of income.

In 2020, the Group and the Company recognised losses for decline in value of inventories of Baht 181 million (2019: Baht 22 million) and recognised a reversal of allowance for decline in value of inventories of Baht 61 million (2019: recognised losses for decline in value of inventories of Baht 61 million) respectively.

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11 Biological assets

Movements for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
At 1 January	45,161	42,894	1,059	847
Acquired through business combination	383	-	-	-
Increase due to purchase/raise	146,122	151,600	7,736	8,293
Decrease due to sale/harvest	(137,665)	(145,525)	(7,588)	(7,882)
Depreciation	(6,016)	(6,097)	(133)	(136)
Gains (losses) on change in fair value less costs to sell	(270)	3,235	-	-
Currency translation differences	(178)	(1,979)	-	-
Others	(81)	1,033	(89)	(63)
Balance at 31 December	47,456	45,161	985	1,059
<i>Current</i>				
Livestock	37,004	35,236	-	-
Aquatic	1,921	1,868	985	1,059
Total current	38,925	37,104	985	1,059
<i>Non-current</i>				
Livestock	8,531	8,057	-	-
Total non-current	8,531	8,057	-	-
Total	47,456	45,161	985	1,059

Biological assets comprise livestock biological assets such as swine, chicken, duck etc. and aquatic biological assets such as shrimp and fish. Biological assets are measured at fair value using quoted prices at the end of reporting period as references. Except certain types of biological assets which have short production cycle or the market prices at present condition of the biological assets 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, disease etc., they are measured at cost less accumulated depreciation and impairment losses.

Cost includes all costs incurred from the acquisition of biological assets and throughout the growth cycle such as cost of new-born animals, feed costs, and other costs.

Bearer biological assets, for example breeders, are depreciated using the straight line method over the productive period or the units of production method which ranges approximately from 4 months to 36 months depending on the type of biological assets.

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An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December is as follows:

	(Unit: Tons)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Livestock	938,389	847,822	-	-
Aquatic	24,385	24,942	4,325	4,682

The estimates of physical quantities of biological assets were based on experience and historical data. The Group estimates the physical quantities of aquatic biological assets using a sampling method to project the overall weight.

Fair value measurement

The fair value of biological assets including carrying amount in the consolidated financial statements are as follows:

	Carrying amount	(Unit: Million Baht)			
		Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2020					
Biological assets at fair value					
less costs to sell	19,452	-	3,132	16,320	19,452
31 December 2019					
Biological assets at fair value					
less costs to sell	19,474	-	4,234	15,240	19,474

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which use quoted prices based on market prices at the reporting date.

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The following table shows the valuation technique used in measuring the fair value of biological assets, as well as the significant unobservable inputs used for those categorised in Level 3.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	<p>Reference market price as at 31 December 2020</p> <ul style="list-style-type: none"> • Suckling swine Baht 1,302 per head • Weanling swine Baht 2,109 per head • Fattening swine Baht 98 per kilogram • Sow Baht 10,906 to Baht 16,410 per head 	On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 1,740 million.

The fair value of biological assets is performed by the Group's relevant finance department and operations team using a series of systematic procedures. The fair value measurements are categorised into each hierarchy based on inputs of swine market in each country as reference. The fair value of swine is determined based on market price per head or weight of swine.

12 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019	2020	2019
At 1 January	-	-	191,466	151,976
Acquisitions/additional investments	-	-	40,145	41,380
Disposals	-	-	(4,187)	(602)
Impairment losses	-	-	(56)	(204)
Classified as non-current asset available for sale	-	-	-	(1,084)
At 31 December	-	-	227,368	191,466

During the year 2020, the Company sold 99.99% of its interest in Chester Food Co., Ltd. and 100% of its interest in C.P. Standart Gida Sanayi ve Ticaret A.S. with the carrying amount of Baht 450 million and Baht 3,737 million, respectively. The Company recognised gains on sale of investments of Baht 52 million.

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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 December and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Marketable securities												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	4,691	-	-	4,691	4,691	312	169
Chia Tai Enterprises International Limited	4.98	4.98	840	840	500	500	-	-	500	500	-	-
Total					5,191	5,191	-	-	5,191	5,191	312	169
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	567	179
CPF (Thailand) Public Company Limited	99.99	99.99	15,289	15,289	48,510	48,510	-	-	48,510	48,510	1,070	-
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	-	200
C.P. Merchandising Co., Ltd.	87.54	99.99	44,500	9,000	38,999	9,000	-	-	38,999	9,000	5,100	8,280
Chester Food Co., Ltd.	-	99.99	80	80	-	450	-	-	-	450	-	-
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	500	500	-	-	500	500	-	-
Bellisio Investment, LLC	100.00	100.00	37,072	26,991	37,072	26,991	-	-	37,072	26,991	-	-

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Details of investments in subsidiaries and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		share capital				impairment				for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-
C.P. Foods Holdings Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	896
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	-	79.37	6,596	6,596	-	3,736	-	-	-	3,736	-	-
CP Foods Capital Limited	100.00	-	-	-	1	-	-	-	1	-	-	-
CP Foods Singapore Pte Ltd.	100.00	-	34	-	34	-	-	-	34	-	-	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	(8)	(8)	-	-	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	3,420	3,420	1,394	1,394	(1,141)	(1,085)	253	309	-	-
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	4,487	4,487	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	55,662	55,662	55,644	55,644	-	-	55,644	55,644	4,433	1,793
CPF Tanzania Limited	58.26	58.26	224	224	129	129	(129)	(129)	-	-	-	-
CPF Netherlands B.V.	99.99	99.99	37,663	37,663	38,148	38,148	-	-	38,148	38,148	-	-
CPF Poland S.A.	66.67	66.67	185	141	124	95	-	-	124	95	-	-
Homegrown Shrimp (USA) LLC	100.00	100.00	209	209	209	209	-	-	209	209	-	-
Total					223,455	187,497	(1,278)	(1,222)	222,177	186,275	11,210	11,348
Grand Total					228,646	192,688	(1,278)	(1,222)	227,368	191,446	11,522	11,517

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13 Non-controlling interests

Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations as at 31 December were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2020	2019	2020	2019	2020	2019
Non-controlling interests percentage*	47.76	47.76	49.57	49.57	61.00	61.00
Current assets	73,065	69,090	2,847	2,718	6,086	6,683
Non-current assets	142,935	94,233	8,227	7,092	17,900	12,899
Current liabilities	(42,277)	(66,657)	(1,253)	(923)	(6,248)	(6,419)
Non-current liabilities	(40,946)	(34,751)	(1,419)	(1,423)	(5,299)	(3,535)
Net assets	132,777	61,915	8,402	7,464	12,439	9,628
Goodwill of non-controlling interests	4,597	12,875	-	273	-	-
Carrying amount of non-controlling interests**	58,609	40,910	2,820	2,917	6,868	5,080

* The non-controlling interests percentage of sub-group represents only direct holding on the respective intermediate subsidiary, whereas, many indirect subsidiaries are not wholly-owned by the intermediate subsidiary with various percentages of ownership interests.

** The carrying amount of non-controlling interests of sub-group are derived from the above various percentages of ownership interests of indirect subsidiaries.

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Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2020	2019	2020	2019	2020	2019
Revenue	313,944	217,114	3,046	3,355	23,906	23,173
Profit for the year	74,808	13,946	535	525	1,688	1,546
Other comprehensive income	(3,315)	(747)	461	(632)	434	(119)
Total comprehensive income	71,493	13,199	996	(107)	2,122	1,427
Profit (loss) attributable to non-controlling interests	17,031	5,256	(213)	(746)	1,137	1,025
Other comprehensive income attributable to non-controlling interests	(755)	(281)	172	(253)	292	(79)
Cash flows from operating activities	29,368	17,729	121	(226)	2,807	1,941
Cash flows from investing activities	(24,594)	(10,349)	(326)	(331)	(3,350)	(1,057)
Cash flows from financing activities	(2,324)	(6,684)	7	97	(434)	156
Effect of exchange rate changes on balances held in foreign currencies	961	(160)	32	(6)	(13)	(7)
Net increase (decrease) in cash and cash equivalents	3,411	536	(166)	(466)	(990)	1,033
Dividend paid to non-controlling interests	3,772	2,291	119	74	1,054	541

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14 Investments in associates

Movements during the years ended 31 December were as follows:

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
At 1 January		105,893	96,126	335	335
Share of profit		7,133	8,256	-	-
Share of other comprehensive income (expense)		3	-	-	-
Dividend income		(6,568)	(3,843)	-	-
Acquisition/additional investments		46,716	10,774	5,378	-
Disposals		(1,572)	(4,458)	(179)	-
Previously held interest in subsidiary before status change to associate	6	71,045	-	-	-
Disposal of previously held interest in associate from loss control in a subsidiary	6	(3,489)	-	-	-
Previously held interest in associate before status change to subsidiary	6	(1,322)	-	-	-
Impact from change in accounting policy	3	(509)	-	-	-
Exchanges with Exchangeable Bonds		-	(23)	-	-
Currency translation differences		382	(651)	-	-
Others		127	(288)	-	-
At 31 December		217,839	105,893	5,534	335

The Group accounts for the investment in ordinary shares of an associate, CP ALL Public Company Limited (“CPALL”), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2020, the fair value of this investment was Baht 178,476 million (2019: Baht 219,824 million).

During the year 2020, the Company entered into an agreement to acquire 90 million shares of CPALL from a subsidiary (C.P. Merchandising Co., Ltd.) amounting to Baht 5,377 million by offsetting the consideration of the shares with short-term loan to subsidiary. In addition, the Group and the Company sold portions of the investment in associates with the carrying amount of Baht 1,571 million and Baht 179 million respectively (2019: the Group had a carrying amount of investment of Baht 4,458 million) with gain on sale of investments amounting of Baht 1,575 million and Baht 30 million, respectively. (2019: the Group had a gain on sale of investment of Baht 8,027 million).

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On 17 December 2020, C.P. Merchandising Co., Ltd. (“CPM”), a 99.99% owned subsidiary of the Company, to acquire shares or economic interest of up to 20.00% of the total issued shares in:

- Tesco Stores (Thailand) Limited (“Tesco Thailand”) holding 99.99% of the shares in Ek-Chai Distribution System Co., Ltd., which operates retail business under Tesco Lotus brand in Thailand; and
- Tesco Stores (Malaysia) Sdn. Bhd. (“Tesco Malaysia”) which operates retail business under Tesco brand in Malaysia

Tesco Thailand and Tesco Malaysia are collectively referred to as “Tesco Asia Group”.

In this regard, the investment by CPM was made indirectly through two special purpose vehicles being C.P. Retail Holding Co., Ltd. (the “Holding Company”) which has total issued share of Baht 199,480 million and owns total share capital in C.P. Retail Development Co., Ltd. (the “Acquiring Entity”). The value of the investment by CPM in the Holding Company is approximately Baht 40,973 million, which has been paid in cash during the year and the shares transferred were completed.

The Tesco Asia Group indirect investment transaction was completed on 18 December 2020. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquires and liabilities assumed from the acquisition. The consideration transferred with any resulting differences recognised as goodwill of Baht 45,304 million which was recorded as a part of investment in associate accounted for using the equity method in the consolidated statement. However, the assessment of fair value was not yet completed as at 31 December 2020. The fair value is estimated for accounting records.

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Details of investments in associates and dividend income

Investments in associates as at 31 December and dividend income for the years then ended were as follows:

(Unit: Million Baht)

(Unit: Million Baht)															
Consolidated financial statements															
	Country of operation	Ownership interest (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Marketable security															
CP ALL Public Company Limited	Thailand	34.10	33.86	8,983	8,983	85,163	81,914	103,208	98,848	-	-	103,208	98,848	3,801	3,624
Total						85,163	81,914	103,208	98,848	-	-	103,208	98,848	3,801	3,624
Non-marketable securities															
C.P. Retail Holding Co., Ltd	Thailand	20.00	-	199,480	-	40,973	-	40,931	-	-	-	40,931	-	-	-
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,206	1,203	160	159	163	163	-	-	163	163	-	-
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	70	70	35	35	151	132	-	-	151	132	42	51
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	60	60	23	18	15	17	-	-	15	17	-	-
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	4	4	2	2	206	187	-	-	206	187	85	45
A.P.P Enterprise INC.	Philippines	39.60	-	-	-	-	-	117	-	-	-	117	-	-	-
BHJ Kalino Food AB (“BHJ”) *	Sweden	15.08	15.08	5	5	24	24	26	28	-	-	26	28	4	4
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	595	658	-	-	595	658	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Malaysia	-	49.75	-	353	-	176	-	1,275	-	-	-	1,275	-	-

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

Consolidated financial statements															
	Country of operation	Ownership (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Chia Tai Conti (Cixi) Investment Management Co., Ltd.															
	China	26.12	26.12	15	15	8	8	4	5	-	-	4	5	-	-
Chia Tai Investment Co., Ltd. **															
	China	18.28	-	19,215	-	71,045	-	70,484	-	-	-	70,484	-	1,689	-
Cixi Zhuda Investment Centre Limited Partnership **															
	China	0.52	0.52	7	7	-	-	-	-	-	-	-	-	-	-
Conti Chia Tai International Limited															
	China	26.12	26.12	767	767	1,052	1,052	1,409	1,977	-	-	1,409	1,977	824	-
Ningxia Xiao Ming Animal Husbandry Co., Ltd.															
	China	-	8.40	-	362	-	749	-	745	-	-	-	745	-	5
Qingdao Yi Bang Bio Engineering Co., Ltd.															
	China	-	6.27	-	147	-	1,358	-	1,346	-	-	-	1,346	85	94
Zhan Jiang Deni Carburetor Co., Ltd. ***															
	China	14.12	14.12	669	669	424	424	530	512	-	-	530	512	38	20
Total						113,922	4,181	114,631	7,045	-	-	114,631	7,045	2,767	219
Grand total						199,085	86,095	217,839	105,893	-	-	217,839	105,893	6,568	3,843

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* BHJ is an associate in which 29.00% of the total issued and paid share capital were held by CPF Denmark A/S (“CPF DM”), a 52.00% indirectly owned subsidiary. In this regard, the Group accounted for its investment in BHJ using the equity method based on 15.08% shareholding in the consolidated financial statements.

** Chia Tai Investment Co., Ltd. (“CTI”) and Cixi Zhuda Investment Centre Limited Partnership (“Cixi Zhuda”) are associates in which 35.00% and 1.00% respectively of the total issued and paid-up share capital were held by C.P. Pokphand Co., Ltd. (“CPP”), a 52.24% direct and indirectly owned subsidiary. Therefore, the Group accounted for its investments in CTI and Cixi Zhuda using the equity method based on 18.28% and 0.52% shareholding in the consolidated financial statements respectively. In this regard, CPP exercises significant influence in these companies by having representatives in the board of directors and involving in setting the policy and making the significant decisions for them. Therefore, the Group classified the aforementioned investments as investments in associates.

*** Zhan Jiang Deni Carburetor Co., Ltd. (“Zhanjiang Deni”) is an associate in which 28.00% of the total issued and paid-up share capital were held by Chia Tai Enterprises International Limited (“CTEI”), a 50.43% directly and indirectly owned subsidiary. In this regard, the Group accounted for its investment in Zhanjiang Deni using the equity method based on 14.12% shareholding in the consolidated financial statements.

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

		Separate financial statements													
	Country of operation	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year			
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
<i>Marketable security</i>															
	CP ALL Public Company Limited	Thailand	0.97	-	8,983	-	5,198	-	-	-	-	5,198	-	113	-
	<i>Total</i>						<u>5,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,198</u>	<u>-</u>	<u>113</u>	<u>-</u>
<i>Non-marketable securities</i>															
	Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,206	1,203	160	159	-	-	160	159	-	-	-
	C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	-	-	176	176	-	-	-
	Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	50	1	1	1	(1)	(1)	-	-	-	-	-
	<i>Total</i>						<u>337</u>	<u>336</u>	<u>(1)</u>	<u>(1)</u>	<u>336</u>	<u>335</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<i>Grand Total</i>						<u>5,535</u>	<u>336</u>	<u>(1)</u>	<u>(1)</u>	<u>5,534</u>	<u>335</u>	<u>113</u>		

CP ALL Public Company Limited (“CP ALL”) is an associate in which 0.97% of the total issued and paid share capital was held by the Company and the Company exercises significant influence in CP ALL by having representatives in the board of directors and involving in setting the policy and making the significant decisions for its. Therefore, the Company classified aforementioned investment as investment in an associate. The Company accounted its investment in CP ALL using the cost method in the Separate statements.

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Significant associates

The following table summarises the financial information of an associate that the Group considered as material by reconciling financial information with the carrying amount of the interests in the associate as summarised below:

	CP ALL Public Company Limited and its subsidiaries		C.P. Retail Holding Co., Ltd.	(Unit: Million Baht) Chia Tai Investment Co., Ltd.
	2020	2019	2020	2020
<i>Financial information of the associate</i>				
Revenue	546,527	571,110	9,716	32,455
Profit (loss) from continuing operations	16,503	22,694	(158)	6,167
Other comprehensive income (expense)	598	(1,274)	(48)	(520)
Total comprehensive income (expense)	17,101	21,420	(206)	5,647
Attributable to non-controlling interests	400	351	-	-
Attributable to the equity holder of the associate	16,701	21,069	(206)	5,647
Current assets	81,404	71,923	44,786	79,895
Non-current assets	441,950	303,694	131,242	220,385
Current liabilities	(203,003)	(112,917)	(165,407)	(71,153)
Non-current liabilities	(208,756)	(154,332)	(37,289)	(26,187)
Net assets	111,595	108,368	(26,668)	202,940
Attributable to non-controlling interests	31,243	32,038	7	6,415
Attributable to the equity holder of the associate	80,352	76,330	(26,675)	196,525

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	CP ALL Public Company Limited and its subsidiaries		C.P. Retail Holding Co., Ltd.	(Unit: Million Baht) Chia Tai Investment Co., Ltd.
	2020	2019	2020	2020
<i>Reconciliation of the carrying amount of the interests in the associate</i>				
Group's interest in net assets of the associate				
at 1 January / acquisition date	25,845	22,696	(5,294)	-
Total comprehensive income attributable to the Group	5,678	7,095	(41)	1,128
Dividends received during year	(3,801)	(3,624)	-	(1,689)
Impact from change in accounting policy	(479)	-	-	-
Difference from change in ownership	157	(322)	-	36,496
Group's interests in net assets of the associate				
at end of year	27,400	25,845	(5,335)	35,935
Goodwill	75,808	73,003	45,304	34,549
Transaction costs	-	-	165	-
Transfer from cash flow hedge reserve	-	-	797	-
Carrying amount of the interests in the associate at 31 December	103,208	98,848	40,931	70,484

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Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Carrying amount of interests in immaterial associates	3,216	7,045
Group's share of:		
- Profit from continuing operations	560	733
- Other comprehensive income	326	(383)
- Total comprehensive income	886	350

Contingent liabilities relating to the investments in associates as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Group's share of contingent liabilities	13	13

15 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
At 1 January	19,434	9,596
Share of profit	2,121	637
Dividend income	(525)	(224)
Transfer previously held interest in joint venture before status change to subsidiary	(29)	-
Disposal of previously held interest in joint venture from loss control in a subsidiary	(572)	-
Acquisitions/additional investments	359	9,855
Currency translation differences	232	(430)
Others	(6)	-
At 31 December	21,014	19,434

	<i>(Unit: Million Baht)</i>	
	Separate	
	financial statements	
	2020	2019
At 1 January	4,360	4,360
Share of profit	-	-
Dividend income	-	-
Transfer previously held interest in joint venture before status change to subsidiary	-	-
Disposal of previously held interest in joint venture from loss control in a subsidiary	-	-
Acquisitions/additional investments	-	-
Currency translation differences	-	-
Others	-	-
At 31 December	4,360	4,360

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Details of investments in joint ventures and dividend income

Investments in joint ventures as at 31 December and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements														
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		(%)													
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Non-marketable securities</i>															
CP-Meiji Co., Ltd. (“CP-Meiji”) *	Thailand	59.99	59.99	500	500	1,200	1,200	2,664	2,414	-	-	2,664	2,414	240	180
Dak Galbi Group Co., Ltd.	Thailand	-	41.35	-	133	-	55	-	36	-	-	-	36	-	-
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	India	74.99	74.99	132	132	98	98	91	92	-	-	91	92	-	-
Beijing Chia Tai Feedmill Co., Ltd.	China	-	26.12	-	157	-	128	-	231	-	-	-	231	-	-
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	409	496	-	-	409	496	-	-
CP-MP Logistics Joint Stock Company	Vietnam	32.43	32.43	9	16	4	8	2	7	-	-	2	7	-	-
ECI Metro Enterprises (Hong Kong) Co., Ltd.	Hong Kong	25.21	-	-	-	-	-	-	-	-	-	-	-	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	378	378	1,296	1,296	2,986	2,666	-	-	2,986	2,666	-	-
Feng Sheng Livestock Co., Ltd.	Taiwan	19.51	-	214	-	107	-	107	-	-	-	107	-	-	-
Handan Chia Tai Feed Co., Ltd.	China	-	26.12	-	56	-	-	-	20	-	-	-	20	3	1

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Details of investments in joint ventures and dividend income (Continued)

(Unit: Million Baht)

		Consolidated financial statements													
	Country of operation	Ownership interest (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Henan East Chia Tai Co., Ltd.	China	-	26.12	-	170	-	225	-	231	-	-	-	231	-	40
HyLife Group Holdings Ltd. **	Canada	50.10	50.10	1,555	1,555	9,988	9,736	11,272	9,736	-	-	11,272	9,736	282	-
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	3,476	3,501	-	-	3,476	3,501	-	-
Westbridge Foods Holding B.V. **	Netherlands	50.00	50.00	1	1	6	6	7	4	-	-	7	4	-	3
Total						17,059	17,112	21,014	19,434	-	-	21,014	19,434	525	224

* CP-Meiji is a joint venture because the articles of association of CP-Meiji specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets of CP-Meiji. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

** Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Ltd. and Westbridge Foods Holding B.V. are joint ventures because each investor has joint control over significant financial and operating decisions and have rights to the net assets of Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Co., Ltd. and Westbridge Foods Holding B.V. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

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The Group has considered that none of the joint ventures is regarded as individually material to the Group.

Immaterial joint ventures

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Carrying amount of interests in immaterial joint ventures	21,014	19,434
Group's share of:		
- Profit from continuing operations	2,121	637
- Other comprehensive income	229	(429)
- Total comprehensive income	2,350	208

Contingent liabilities and commitments relating to the investments in joint ventures as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2020	2019
Group's share of the commitments	627	382

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Details of investments in joint ventures and dividend income (Continued)

(Unit: Million Baht)

		Separate financial statements											
	Country of operation	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Non-marketable securities</i>													
Camanor Produtos													
Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	-	-	566	566	-	-
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	-	-	3,794	3,794	-	-
Total						4,360	4,360	-	-	4,360	4,360	-	

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16 Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements						
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/revaluation						
At 1 January 2019	33,448	111,488	106,368	13,988	23,376	288,668
Additions	264	781	2,168	980	23,603	27,796
Acquired through business acquisitions	-	123	62	-	3	188
Surplus on revaluation	178	-	-	-	-	178
Transfers	262	10,066	12,339	653	(23,330)	(10)
Transfers from investment properties	-	126	8	-	-	134
Disposals	(293)	(1,956)	(2,775)	(673)	(70)	(5,767)
Currency translation differences	(370)	(4,966)	(5,612)	(738)	(952)	(12,638)
At 31 December 2019	33,489	115,662	112,558	14,210	22,630	298,549
Recognition of right-of-use assets on initial application of TFRS 16 (see note 3(b))	-	(1,502)	(148)	(73)	(1,629)	(3,352)
At 1 January 2020						
- as adjusted	33,489	114,160	112,410	14,137	21,001	295,197
Additions	184	430	1,503	1,210	24,381	27,708
Acquired through business acquisitions	104	1,445	826	48	41	2,464
Surplus on revaluation	14,866	-	-	-	-	14,866
Transfers	460	9,301	8,464	739	(19,302)	(338)
Transfers from investment properties	-	133	-	26	-	159
Transfers to investment properties	(82)	(35)	-	-	-	(117)
Disposals from loss control of subsidiaries	(370)	(17,926)	(17,126)	(3,099)	(4,596)	(43,117)
Disposals	(29)	(798)	(1,917)	(672)	(4)	(3,420)
Currency translation differences	480	506	2,282	(65)	(433)	2,770
At 31 December 2020	49,102	107,216	106,442	12,324	21,088	296,172

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16 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Accumulated depreciation and impairment losses						
At 1 January 2019	-	(37,137)	(47,336)	(8,994)	-	(93,467)
Depreciation charge for the year	-	(5,715)	(8,464)	(1,352)	-	(15,531)
Impairment losses	-	(395)	(514)	(3)	-	(912)
Transfers	-	12	(19)	5	-	(2)
Disposals	-	1,497	2,170	587	-	4,254
Currency translation differences	-	1,575	2,493	471	-	4,539
At 31 December 2019	-	(40,163)	(51,670)	(9,286)	-	(101,119)
Recognition of depreciation of right-of-use asset on initial application of TFRS 16 (see note 3(b))	-	143	90	14	-	247
At 1 January 2020 - as adjusted	-	(40,020)	(51,580)	(9,272)	-	(100,872)
Depreciation charge for the year	-	(6,062)	(8,881)	(1,354)	-	(16,297)
Impairment losses	-	(158)	(63)	(3)	-	(224)
Transfers	-	213	(161)	(21)	-	31
Disposals from loss control of subsidiaries	-	7,322	9,835	2,244	-	19,401
Disposals	-	587	1,533	620	-	2,740
Currency translation differences	-	83	(968)	72	-	(813)
At 31 December 2020	-	(38,035)	(50,285)	(7,714)	-	(96,034)
Owned assets	33,489	74,088	60,259	4,140	22,630	194,606
Assets under finance leases	-	1,411	629	784	-	2,824
At 31 December 2019	33,489	75,499	60,888	4,924	22,630	197,430
Owned assets	49,102	69,181	56,157	4,610	21,088	200,138
At 31 December 2020	49,102	69,181	56,157	4,610	21,088	200,138

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16 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Separate financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	
Cost/revaluation						
At 1 January 2019	6,383	13,335	12,370	1,169	666	33,923
Additions	-	-	125	32	588	745
Transfers	-	570	190	3	(764)	(1)
Disposal	-	(1,369)	(1,267)	(160)	(3)	(2,799)
At 31 December 2019 and 1 January 2020	6,383	12,536	11,418	1,044	487	31,868
Additions	-	-	65	20	251	336
Surplus on revaluation	2,838	-	-	-	-	2,838
Transfers	-	151	465	2	(621)	(3)
Disposal	-	(80)	(272)	(29)	-	(381)
At 31 December 2020	9,221	12,607	11,676	1,037	117	34,658
Accumulated depreciation and impairment losses						
At 1 January 2019	-	(8,279)	(8,368)	(1,057)	-	(17,704)
Depreciation charge for the year	-	(687)	(741)	(52)	-	(1,480)
Disposals	-	1,109	1,143	156	-	2,408
At 31 December 2019 and 1 January 2020	-	(7,857)	(7,966)	(953)	-	(16,776)
Depreciation charge for the year	-	(671)	(693)	(41)	-	(1,405)
Disposals	-	68	261	29	-	358
At 31 December 2020	-	(8,460)	(8,398)	(965)	-	(17,823)
Net book value						
At 31 December 2019	6,383	4,679	3,452	91	487	15,092
At 31 December 2020	9,221	4,147	3,278	72	117	16,835

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 46,590 million (2019: Baht 52,755 million) in the consolidated statement of financial position, and Baht 9,971 million (2019: Baht 9,622 million) in the separate statement of financial position.

Capitalised borrowing cost in 2020 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 434 million and Baht 4 million, respectively (2019: Baht 620 million and Baht 8 million, respectively) is recognised as a part of cost of assets.

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Fair value measurement

Appraisal prices of the Group and the Company's land were valued by the independent professional valuers using Market Comparison Approach, at fair market values totalling Baht 49,102 million and Baht 9,221 million, respectively (2019: Baht 33,489 million and Baht 6,383 million, respectively).

The fair value measurement for the land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Quotation and actual sales prices of comparable land adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

17 Leases

As a lessee

	<i>(Unit: Million Baht)</i>	
<i>At 31 December 2020</i>	Consolidated financial statements	Separate financial statements
Right-of-use assets		
Land and buildings	25,701	173
Equipment	1,987	31
Vehicles	1,357	219
Leasehold rights	3,328	-
Total	32,373	423

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 29,045 million and Baht 423 million, respectively.

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 58 years expiring in 2021 to 2045.

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<i>For the year ended 31 December</i>	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land and buildings	3,810	-	133	-
- Equipment	283	-	11	-
- Vehicles	559	-	82	-
Interest on lease liabilities	2,469	148	12	-
Expenses relating to short-term leases	1,633	-	91	-
Expenses relating to leases of low-value assets	34	-	1	-
Variable lease payments based on sales	55	-	-	-
Lease expense	1,722	6,777	92	357
Contingent rent expense	39,634	41,182	462	693

In 2020, total cash outflow for leases of the Group and the Company were Baht 9,173 million and Baht 334 million, respectively.

18 Goodwill

	<i>Note</i>	<i>(Unit: Million Baht)</i>	
		Consolidated	
		financial statements	
		<u>2020</u>	<u>2019</u>
<i>Cost</i>			
At 1 January		89,942	95,943
Acquired through business acquisitions		38	2
Fair value adjustments		(1)	(1)
Disposals from loss control of subsidiary	6	(28,547)	-
Currency translation differences		(766)	(6,002)
At 31 December		<u>60,666</u>	<u>89,942</u>
<i>Impairment loss</i>			
At 1 January		(2,180)	(515)
Impairment loss		(3,921)	(1,665)
At 31 December		<u>(6,101)</u>	<u>(2,180)</u>
<i>Net book value</i>			
At 1 January		<u>87,762</u>	<u>95,428</u>
At 31 December		<u>54,565</u>	<u>87,762</u>

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Goodwill is allocated to cash-generating unit by segment and countries of operation. Goodwill was mainly arising from the acquisitions of shares of C.P. Pokphand Co., Ltd., JSC Poultry Production Severnaya and Bellisio Investment, LLC.

In 2020, the Group recognised impairment loss on goodwill of Bellisio Investment, LLC. amounted Baht 2,294 million and Chia Tai Enterprises International Limited amounted Baht 1,627 million.

Impairment testing

In evaluating and testing of impairment, the Group determined the recoverable amount on the higher of its value in use by estimating discounted future cash flows and the fair value less cost of disposal if sale the business.

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

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19 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements				
	Development cost of software applications	Development cost of products	Customer relationships	Trademarks, rights and others	Total
Cost					
At 1 January 2019	752	1,918	6,958	12,741	22,369
Additions	45	58	-	98	201
Acquired through business acquisitions	-	-	342	-	342
Transfers	24	-	-	(17)	7
Disposals	(32)	-	-	(24)	(56)
Currency translation differences	(29)	(152)	(579)	(936)	(1,696)
At 31 December 2019 and 1 January 2020	760	1,824	6,721	11,862	21,167
Additions	63	88	-	460	611
Acquired through business acquisitions	-	-	-	4	4
Transfers	45	1	-	7	53
Disposals from loss control of a subsidiary	-	-	(1,516)	(2,696)	(4,212)
Disposals	-	-	-	(37)	(37)
Currency translation differences	1	16	188	325	530
At 31 December 2020	869	1,929	5,393	9,925	18,116
Accumulated amortisation					
1 January 2019	(489)	(260)	(1,220)	(4,188)	(6,157)
Amortisation charge for the year	(58)	(124)	(475)	(476)	(1,133)
Transfers	-	-	-	1	1
Disposals	32	-	-	4	36
Currency translation differences	22	25	109	335	491
At 31 December 2019 and 1 January 2020	(493)	(359)	(1,586)	(4,324)	(6,762)
Amortisation charge for the year	(67)	(121)	(490)	(481)	(1,159)
Transfers	-	-	-	1	1
Disposals from loss control of a subsidiary	-	-	536	2,646	3,182
Disposals	-	-	-	11	11
Currency translation differences	(1)	1	(44)	(202)	(246)
At 31 December 2020	(561)	(479)	(1,584)	(2,349)	(4,973)
Net book value					
At 31 December 2019	267	1,465	5,135	7,538	14,405
At 31 December 2020	308	1,450	3,809	7,576	13,143

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(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
Cost			
At 1 January 2019	7	106	113
Additions	-	3	3
Transfer	-	1	1
Disposals	-	(4)	(4)
At 31 December 2019 and 1 January 2020	7	106	113
Transfer	-	2	2
At 31 December 2020	7	108	115
Accumulated amortisation			
At 1 January 2019	(6)	(74)	(80)
Amortisation charge for the year	-	(7)	(7)
Disposals	-	2	2
At 31 December 2019 and 1 January 2020	(6)	(79)	(85)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2020	(6)	(85)	(91)
Net book value			
At 31 December 2019	1	27	28
At 31 December 2020	1	23	24

The gross amount of the Group's and the Company's fully amortised intangible assets that were still in use as at 31 December 2020 amounted to Baht 1,071 million in the consolidated statement of financial position, and Baht 53 million in the separate statement of financial position (2019: Baht 957 million and Baht 44 million, respectively).

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20 Interest-bearing liabilities

			(Unit: Million Baht)		
		Consolidated financial statements	Separate financial statements		
Note		2020	2019	2020	2019
Current					
	Bank overdrafts and short-term borrowings from financial institutions	63,846	72,204	5,400	2,853
	Bills of exchange	38,754	21,818	18,158	16,339
7	Short-term borrowing from subsidiaries	-	-	13,251	6,500
7	Short-term borrowings from related parties	423	657	-	-
	Total	103,023	94,679	36,809	25,692
Current portion of long-term debts					
	Long-term borrowings from financial institutions	13,692	21,144	-	260
	Debentures	20,450	21,260	8,500	16,260
	Exchangeable bond	2,885	-	-	-
	Liabilities under finance leases	4,173	324	217	-
	Total	41,200	42,728	8,717	16,520
	Total current	144,223	137,407	45,526	42,212
Non-current					
	Long-term borrowings from financial institutions	79,178	58,634	2,858	2,968
	Debentures	156,790	132,592	92,740	76,240
	Exchangeable bond	8,228	2,797	-	-
	Liabilities under finance leases	27,692	2,472	186	-
	Total non-current	271,888	196,495	95,784	79,208
	Grand total	416,111	333,902	141,310	121,420

Long-term borrowings from financial institutions

As at 31 December 2020, certain foreign subsidiaries had secured long-term borrowings totalling Baht 15,857 million (2019: Baht 14,590 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 11,156 million (2019: Baht 13,558 million), current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 6,339 million (2019: Baht 4,641 million), ordinary shares of a foreign subsidiary of 4,548 million (2019: Baht 4,169 million).

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In this regards, the Group had significant borrowing agreements with financial institutions as follows:

CPF Investment Limited (“CPFI”)

CPFI, a 100.00% owned subsidiary of the Company had secured long-term borrowing agreements with various financial institutions, credit facilities totalling U.S. Dollar 2,210 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2026.

CPFI used the above long-term borrowing facilities to finance investing activity and for general corporate operations. In this regard, CPFI must comply with the covenants as specified in the agreement.

C.P. Pokphand Co., Ltd. (“CPP”)

CPP, a 52.24% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 600 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2021.

CPP fully drew down the above long-term borrowing for loan repayment and investing activity and/or general corporate operations of CPP. In this regard, CPP must comply with the covenants as specified in the agreement.

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Debentures

As at 31 December, the Company and certain subsidiaries had debentures as follows:

Debentures	interest rates (% per annum)	Term (Year)	Maturity Year	(Unit: Million Baht)			
				Consolidated financial statements	Separate financial statements	2020	2019
				2020	2019	2020	2019
Charoen Pokphand Foods Public Company Limited (the “Company”)							
1/2011 ⁽¹⁾	4.87 - 5.42	10 - 30	2021 - 2041	7,000	7,000	7,000	7,000
2/2011 ⁽¹⁾	5.42	30	2041	6,000	6,000	6,000	6,000
2/2012	4.40 - 6.00	10 - 20	2022 - 2032	9,000	9,000	9,000	9,000
2/2013	4.90	8	2021	5,500	5,500	5,500	5,500
1/2015	3.21 - 3.98	5 - 8	2020 - 2023	5,500	12,000	5,500	12,000
2/2015	3.97 - 4.51	8 - 12	2023 - 2027	6,940	6,940	6,940	6,940
1/2016	2.28 - 3.73	4 - 15	2020 - 2031	6,000	9,060	6,000	9,060
1/2018	3.05 - 3.60	7 - 10	2025 - 2028	12,000	12,000	12,000	12,000
2/2018	2.74 - 4.66	2 - 12	2020 - 2024	18,300	25,000	18,300	25,000
1/2020	3.00 - 4.00	4 - 15	2024 - 2035	25,000	-	25,000	-
Total				101,240	92,500	101,240	92,500
CPF (Thailand) Public Company Limited (“CPFTH”)							
1/2016	3.10 - 4.15	5 - 12	2021 - 2028	16,000	16,000	-	-
2/2016	2.51 - 3.95	7 - 15	2020 - 2031	8,000	13,000	-	-
1/2018	2.43 - 4.43	3 - 15	2021 - 2033	15,000	15,000	-	-
1/2019	2.91 - 4.18	4 - 12	2023 - 2031	17,000	17,000	-	-
1/2020	3.15 - 4.11	5 - 15	2025 - 2035	20,000	-	-	-
Total				76,000	61,000	-	-
Chia Tai Investment Co., Ltd. (“CTI”)							
				-	352	-	-
Grand Total				177,240	153,852	101,240	92,500
Less current portion				(20,450)	(21,260)	(8,500)	(16,260)
Net				156,790	132,592	92,740	76,240

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- ⁽¹⁾ The third series of Company's debentures #1/2011 of Baht 4 billion and debenture #2/2011 of Baht 6 billion. The debenture holders have the redemption right at the end of year 15.

The debentures of Company and CPFTH were registered with the Thai Bond Market Association. The debentures of Company has a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 8 December 2020 and the debentures of CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 10 June 2020.

In this regard, Company and CPFTH must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio throughout the terms of debentures, etc.

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Exchangeable Bond

As at 31 December, the certain subsidiaries had exchangeable bonds as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
C.P. Foods Holdings Limited (“CPFH”)	2,885	2,797	-	-
C.P. Foods Capital Limited (“CPFC”)	8,228	-	-	-
Total	11,113	2,797	-	-
<i>Less current portion</i>	<i>(2,885)</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net	8,228	2,797	-	-

C.P. Foods Holdings Limited (“CPFH”)

On 12 September 2016, the Board of Directors of CPFH, a 100% owned subsidiary of the Company, passed a resolution to approve CPFH to issue and offer U.S. Dollar 300 million 0.5% Exchangeable Bonds due 2021 (“EBs”). The EBs holders can exchange the EBs into a pro rata share of the Exchange Property with a sponsor undertaking from the Company. The Exchange Property, at the EBs issue date, initially comprised 135,285,000 shares in CP ALL Public Company Limited (“CPALL Shares”), which belong to CPFH and which were deposited with the Custody Account with a financial institution pursuant to the details set out in the terms and conditions of the EBs. Under the terms and conditions of the EBs, the EB holders have the options to (1) exchange the EBs into CPALL Shares as held by CPFH, or (2) put the EBs to CPFH on the date falling 2 years from the issue date of the EBs, or (3) hold the EBs until maturity, whereby in the case of (2) and (3) CPFH will repay the EB holders in cash. In accordance with the terms and conditions of the EBs, where the EB holders exercise the exchange right, CPFH has to deliver CPALL Shares to the EBs holders or redeem the EBs using cash of equivalent market value of CPALL Shares with the exchange ratio as specified in the condition of EBs. In addition, CPFH, as the EBs issuer, has option to early redeem the whole amount of the EBs as specified in the terms and conditions of the EBs.

The issuance and offering of the EBs was completed on 22 September 2016 and the EBs were listed on Singapore Exchange Securities Trading Limited on 23 September 2016.

As at 31 December 2020, the carrying amount of the EBs after derecognition were U.S. Dollar 96 million or equivalent to Baht 2,885 million (2019: U.S. Dollar 94 million or equivalent to Baht 2,797 million).

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CP Foods Capital Limited (“CPFC”)

On 13 May 2020, the Board of Directors of the Company passed a resolution to approve CPFC, a 100.00% owned subsidiary of the Company, to issue and offer U.S. Dollar 275 million 0.5% Exchangeable Bonds due 2025 (“EBs”). The EBs holders can exchange the EBs into a pro rata share of the Exchange Property with a sponsor undertaking from the Company. The Exchange Property, at the EBs issue date, shall initially comprise 234,000,000 ordinary shares of the Company. Under the terms and conditions of the EBs, the EB holders have the options to (1) exchange the EBs into ordinary shares of the Company, or (2) put the EBs to CPFC on the date falling 2 years from the issue date of the EBs, or (3) hold the EBs until maturity, whereby in the case of (2) and (3) CPFC will repay the EB holders in cash. In accordance with the terms and conditions of the EBs, where the EB holders exercise the exchange right, and the aggregate number of ordinary shares of the Company to be delivered to such EB holders by CPFC exceeds the specified threshold, CPFC can redeem the EBs in respect of such number of ordinary shares of the Company which exceed the specified threshold using cash of equivalent value with the exchange ratio as specified in the condition of the EBs. In addition, CPFC, as the EBs issuer, has option to redeem at 110.58% of their principal amount at the maturity date.

The issuance and offering of the EBs were completed and the EBs were listed on Singapore Stock Exchange on 18 June 2020.

As at 31 December 2020, the carrying amount of the EBs were U.S. Dollar 274 million or equivalent to Baht 8,228 million. The EBs are recognised as Convertible Bonds in the consolidated financial statements.

21 Treasury shares

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	31	31	31	31
	December	December	December	December
	2020	2019	2020	2019
Ordinary shares of the Company				
At 1 January	-	-	-	-
Addition	6,088	-	6,088	-
Total	6,088	-	6,088	-
Ordinary shares of the Company				
held by subsidiaries	2,909	2,909	-	-
Total	8,997	2,909	6,088	-

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On 13 March 2020, the Board of Directors of the Company passed the resolution to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 4.65% of the total number of paid-up share capital of the Company. In this regard, the Company repurchased its ordinary shares through the main board of the Stock Exchange of Thailand during the specified period from 1 April 2020 to 30 September 2020. The Board of Directors shall determine the share resale procedures after 6 months from the completion date of share repurchase. However, the last date to resale such repurchase shares shall not be later than 30 September 2023.

As at 31 December 2020, the Company had repurchased its 198 million treasury shares amounting Baht 6,088 million.

22 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Related parties	7	11,886	5,590	199	250
Other parties		20,426	26,594	934	919
Total		<u>32,312</u>	<u>32,184</u>	<u>1,133</u>	<u>1,169</u>

23 Provisions for employee benefits

The Group has defined benefit plans for employee's retirement based on the labor law requirements of each country.

A foreign subsidiary established a retirement fund with a financial institution, and the retirement fund is managed by the financial institution.

Employee benefit obligations as at 31 December were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Present value of funded - defined benefit obligations		549	543	-	-
Fair value of plan assets		(328)	(331)	-	-
		<u>221</u>	<u>212</u>	<u>-</u>	<u>-</u>
Present value of unfunded - defined benefit obligations		10,332	9,384	2,977	2,726
Total		<u>10,553</u>	<u>9,596</u>	<u>2,977</u>	<u>2,726</u>

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Movements in the present value of the defined benefit obligations and the fair value of plan assets for the year ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Defined benefit obligations at				
1 January	9,927	6,290	2,726	1,689
Benefits paid by the plans	(669)	(394)	(171)	(262)
Current service costs and interest	863	825	226	205
Past service costs	-	2,126	-	680
Defined benefit plan actuarial losses	752	1,160	196	414
Others	8	(80)	-	-
Defined benefit obligations at 31 December	10,881	9,927	2,977	2,726
Fair value of plan assets at 1 January	331	324	-	-
Expected return on plan assets	2	2	-	-
Defined benefit plan actuarial gains	11	12	-	-
Contributions paid	24	23	-	-
Benefits paid by the plans	(64)	(11)	-	-
Currency translation differences	24	(19)	-	-
Fair value of plan assets at 31 December	328	331	-	-

Expenses or income recognised in the statement of income for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current service costs	575	606	149	144
Interest costs	288	219	77	61
Past service costs	-	2,126	-	680
Expected return on plan assets	(2)	(2)	-	-
Total	861	2,949	226	885

Actuarial gains (losses) recognised in other comprehensive income for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Included in retained earnings:				
At 1 January	(832)	247	(103)	228
Recognised during the year	(570)	(1,079)	(157)	(331)
At 31 December	(1,402)	(832)	(260)	(103)

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Principal actuarial assumptions at 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	0.30 - 13.00	0.65 - 13.50	1.28	2.50
Future salary increases	2.00 - 8.50	2.00 - 9.00	3.00 - 6.50	3.00 - 6.50

(Unit: %)

Assumptions regarding future mortality are based on mortality tables of each country.

As at 31 December 2020, the weighted-average duration of the defined benefit obligation was 9 years (2019: 9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Defined benefit obligation as at 31 December 2020				
Discount rate (1% movement)	(820)	956	(238)	277
Future salary change (1% movement)	909	(801)	264	(232)
Defined benefit obligation as at 31 December 2019				
Discount rate (1% movement)	(683)	794	(201)	233
Future salary change (1% movement)	760	(671)	222	(196)

(Unit: Million Baht)

24 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.

Equity in subsidiaries and associates

Equity in subsidiaries and associates consist of:

- The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.
- The changes in interest in equity of associates.

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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 certain parts of the Company's business to a subsidiary. In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

Other components of equity

1) Revaluation differences on assets

Revaluation differences on assets recognised in equity relate to cumulative surpluses arising from the revaluations of freehold land until such assets are disposed.

2) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

3) Fair value changes

2020

The fair value changes account within equity comprises the cumulative net change in the fair value of investments in equity investments measured at fair value through other comprehensive income until the disposal of investments.

2019

The fair value changes account within equity comprises the cumulative net change in the fair value of investments held as available for sale until the disposal of investments.

4) Currency translation differences

The currency translation differences recognised in equity relate to:

- (a) Foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.
- (b) Foreign exchange differences arising from translation of monetary items, which are part of the Group's net investment in foreign operations when certain conditions are met.

Revaluation differences on assets, currency translation differences and fair value changes on investments are presented net of deferred tax.

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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.

As at 31 December 2020, the legal reserve was Baht 929 million (2019: Baht 929 million).

25 Subordinated perpetual debentures

On 2 March 2017 the Company issued subordinated perpetual debentures which is similar to equity with one-time payment upon dissolution of the Company or upon the exercise of the Company’s early redemption right (“Debentures”) of Baht 15,000 million. The debentures were in registered name form, unsecured and unconvertible with debenture holder representative and the Company had the early redemption right pursuant to the terms and conditions of the debentures. The Debentures’ interest rates during the first year to the fifth year is 5%, and after the fifth year the interest rate is adjusted every 5 years based on: (1) 5-year government bond yield, (2) Initial Credit Spread, and (3) percentage as stipulated in the prospectus; and will be paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without limitation on deferral period and times at the sole discretion of the Company. If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

- (a) declare or pay any dividend,
- (b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and
- (c) redeem, reduce, cancel, acquire, or buy-back any of any securities issued by the Company which rank *pari passu* or junior to these Debentures.

During the year 2020, the Company paid interest to the Debentures holders amount of Baht 752 million (2019: Baht 750 million). The interest expense of Baht 752 million (2019: the interest expense net of income tax of Baht 701 million) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2020.

As at 31 December 2020, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 249 million (2019: Baht 249 million).

As at 31 December 2020, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions issued the Announcement of Federation of Accounting Professions dated 3 December 2019 regarding *additional transition for classification of perpetual bonds* as an additional guideline during the transition period. The Company applies this announcement and classified the subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. If, as at 31 December 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities of the Group and the Company will increase by Baht 15,000 million and total shareholders’ equity will decrease by Baht 15,000 million.

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26 Segment information and disaggregation of revenue

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

Details of the reportable segments' financial information of the Group as at 31 December and for the years then ended were as follows:

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2020	2019	2020	2019	2020	2019
Statements of income						
Revenue from sale of goods	516,494	457,937	73,219	74,636	589,713	532,573
Operating profit	49,068	25,145	5,092	5,092	54,160	30,237
Central income, net					7,503	4,209
Finance costs					(16,818)	(13,785)
Net foreign exchange gains (losses)					994	(10)
Share of profit of associates and joint ventures					9,254	8,893
Income tax expense					(11,001)	(5,446)
Profit for the year					44,092	24,098
Assets						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	207,277	188,630	36,836	30,431	244,113	219,061
Central assets, net					1,541	1,295
Other assets					516,065	413,695
Total					761,719	634,051

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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 : Others

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December 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, right-of- use assets and intangible assets (excluded goodwill) and central assets	
	2020	2019	2020	2019
Thailand	151,429	143,910	101,156	83,403
Asia	359,893	307,537	109,758	102,177
Europe	51,643	55,484	16,892	16,939
America	25,631	24,431	17,848	17,837
Others	1,117	1,211	-	-
Total	589,713	532,573	245,654	220,356

Information about major customer

During the year 2020 and 2019, there were no single external customer that contributed 10% or more of the Group's total revenue.

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Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the year ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Livestock business		Reportable segments Aquaculture business		Total	
	2020	2019	2020	2019	2020	2019
Categories of main products						
Animal feed	176,078	154,592	42,113	45,275	218,191	199,867
Animal farm products	250,735	213,481	23,956	22,460	274,691	235,941
Processed foods and ready meals	89,681	89,864	7,150	6,901	96,831	96,765
Total	516,494	457,937	73,219	74,636	589,713	532,573

(Unit: Million Baht)

	Separate financial statements	
	Reportable segment Aquaculture business	
	2020	2019
Categories of main products		
Animal feed	12,530	13,290
Animal farm products	10,450	8,811
Processed foods and ready meals	2,541	2,361
Total	25,521	24,462

Contract Balances

As at 31 December 2020, the Group and the Company had contract liabilities of Baht 896 million and Baht 38 million, respectively (*31 December 2019: Baht 2,825 million and Baht 21 million, respectively*), which represents the obligation to transfer goods to customers for which the consideration has been received.

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts “other current liabilities” in the consolidated statement of financial position as at 31 December 2020.

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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.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December 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	
	2020	2019	2020	2019	2020	2019
Local sales	6,043	7,354	16,081	13,787	22,124	21,141
Export sales	247	179	3,150	3,142	3,397	3,321
Total revenue from sale of goods	6,290	7,533	19,231	16,929	25,521	24,462

27 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totalling Baht 1,582 million and Baht 210 million in the consolidated and separate statements of income for the year ended 31 December 2020, respectively (*2019: Baht 1,384 million and Baht 184 million, respectively*).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 60,053 million and Baht 5,888 million in the consolidated and separate statements of income for the year ended 31 December 2020, respectively (*2019: Baht 58,934 million and Baht 6,745 million, respectively*).

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28 Expenses by nature

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods, work in progress and biological assets	114	(3,288)	(171)	281
Raw materials and consumables used	370,745	348,976	13,275	12,468
Employee benefit expenses	61,654	60,318	6,097	6,929
Factory and office expenses	45,526	43,696	4,100	4,182
Depreciation and amortisation	22,312	16,939	1,639	1,487
Transportation expenses	12,926	12,716	490	510
Advertising, public relationship and sale promotion expenses	3,665	3,243	107	94
Vehicle and traveling expenses	3,577	3,964	138	232
Taxes, government and bank fees	2,254	2,191	40	42
Lease-related expenses (2019: Building and equipment rental fees)	1,721	6,777	92	357
Others	15,640	15,556	304	633
Total cost of sales of goods, distribution costs and administrative expenses	540,134	511,088	26,111	27,215

29 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
Current tax				
Current year	10,462	6,227	92	-
Under (over) provided in prior years	668	(570)	-	-
	11,130	5,657	92	-
Deferred tax				
Movements in temporary differences	(995)	(606)	(1)	(134)
Movements in tax losses	866	395	262	891
	(129)	(211)	261	757
Income tax expense	11,001	5,446	353	757

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Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	14,866	(2,574)	12,292	178	(10)	168
Fair value changes on investments	(640)	60	(580)	(91)	(24)	(115)
Currency translation differences	1,707	67	1,774	(13,301)	328	(12,973)
Defined benefit plan actuarial losses	(728)	150	(578)	(1,308)	229	(1,079)
Cash flow hedges reserve	(748)	52	(696)	-	-	-
Total	14,457	(2,245)	12,212	(14,522)	523	(13,999)

(Unit: Million Baht)

	Separate financial statements					
	2020			2019		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	2,837	(567)	2,270	-	-	-
Defined benefit plan actuarial losses	(197)	39	(158)	(414)	83	(331)
Cash flow hedges reserve	(42)	8	(34)	-	-	-
Total	2,598	(520)	2,078	(414)	83	(331)

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Income tax recognised in shareholders' equity

(Unit: Million Baht)

Consolidated financial statements					
2020			2019		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures					
752	-	752	751	(50)	701

(Unit: Million Baht)

Separate financial statements					
2020			2019		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures					
752	-	752	751	(50)	701

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Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
Applicable tax rates	0%	10%	20%	Others	Total
2020					
Accounting profit (loss) before income tax, total	(2,220)	1,141	24,501	31,671	55,093
Tax at the applicable tax rates	-	114	4,900	3,477	8,491
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	487	839	516	1,842
Under provided in prior years	-	-	11	657	668
Total	-	601	5,750	4,650	11,001
2019					
Accounting profit before income tax, total	1,953	1,332	14,776	11,483	29,544
Tax at the applicable tax rates	-	133	2,955	2,201	5,289
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	366	(677)	1,038	727
Under (over) provided in prior years	-	-	5	(575)	(570)
Total	-	499	2,283	2,664	5,446

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Reconciliation of effective tax rate

	(Unit: Million Baht)		
	Separate financial statements		
Applicable tax rates	0%	20%	Total
2020			
Accounting profit before income tax, total	350	8,727	9,077
Tax at the applicable tax rates	-	1,745	1,745
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,392)	(1,392)
Total	-	353	353
2019			
Accounting profit (loss) before income tax, total	(70)	7,055	6,985
Tax at the applicable tax rates	-	1,411	1,411
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(654)	(654)
Total	-	757	757

Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax assets	2,948	3,156	91	956
Deferred tax liabilities	(8,962)	(7,882)	-	-
Net deferred tax assets (liabilities)	(6,014)	(4,726)	91	956

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Movements of deferred tax assets and liabilities during the year 2020 were as follows:

(Unit: Million Baht)

	Consolidated financial statements								
	At 31 December 2019 as reported	Effect from change in accounting policy	At 1 January 2020	Charged/Credited to		Acquired in business combination	Disposals from loss control of subsidiary	Currency translation differences	At 31 December 2020
				Profit or loss	Other comprehensive income				
<i>Deferred tax assets (liabilities)</i>									
Biological assets	(1,599)	-	(1,599)	41	-	-	-	(5)	(1,563)
Investments	(187)	(283)	(470)	48	60	-	47	(6)	(321)
Derivatives	-	153	153	10	52	-	-	(11)	204
Tax losses	4,475	-	4,475	(866)	-	153	(124)	(88)	3,550
Other intangible assets	(2,864)	-	(2,864)	330	-	-	-	(353)	(2,887)
Property, plant and equipment	(6,137)	-	(6,137)	(181)	(2,574)	(240)	874	300	(7,958)
Right-of-use assets	-	(1,900)	(1,900)	(1,064)	-	(70)	210	(20)	(2,844)
Leasehold rights	-	2,346	2,346	1,217	-	74	(206)	(9)	3,422
Provisions for employee benefits	1,379	-	1,379	82	150	-	-	(5)	1,606
Others	207	22	229	512	-	6	85	(55)	777
Total	(4,726)	338	(4,388)	129	(2,312)	(77)	886	(252)	(6,014)

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Movements of deferred tax assets and liabilities during the year 2019 were as follows:

(Unit: Million Baht)

Consolidated financial statements						
At 1 January 2019	Charged/Credited to			Acquired in business combination	Currency translation differences	At 31 December 2019
	Profit or loss	Other comprehensive income	Shareholders' equity			
(1,148)	(512)	-	-	-	61	(1,599)
(170)	-	(24)	-	-	7	(187)
5,014	(395)	-	-	-	(143)	4,476
(3,187)	188	-	-	(85)	220	(2,864)
(6,499)	(58)	(10)	-	-	429	(6,138)
733	431	229	-	-	(14)	1,379
(404)	557	-	50	-	4	207
(5,661)	211	195	50	(85)	564	(4,726)

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Movements of deferred tax assets and liabilities during the year 2020 were as follows:

(Unit: Million Baht)

	At 31 December 2019 as reported	Effect from change in accounting policy	Separate financial statements			At 31 December 2020
			At 1 January 2020	Charged/Credited to	Other comprehensive income	
				Profit or loss		
Deferred tax assets (liabilities)						
Investments	29	(103)	(74)	-	-	(74)
Derivatives	-	15	15	-	8	23
Land	(705)	-	(705)	-	(567)	(1,272)
Right-of-use assets	-	(85)	(85)	-	-	(85)
Leasehold rights	-	80	80	1	-	81
Provisions for employee benefits	501	-	501	12	39	552
Tax losses	1,140	-	1,140	(262)	-	878
Others	(9)	9	-	(12)	-	(12)
Total	956	(84)	872	(261)	(520)	91

As at 31 December 2020, the Group and the Company had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the statement of financial position totalling Baht 11,336 million (2019: Baht 11,668 million) and Baht 1,594 million (2019: Baht 1,581), respectively because it is not probable that tax benefit will be utilised in the foreseeable future.

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Movements of deferred tax assets and liabilities during the year 2019 were as follows:

(Unit: Million Baht)

	Separate financial statements				At 31 December 2019
	At 1 January 2019	Charged/Credited to	Other comprehensive income	Retained earnings	
		Profit or loss			
<i>Deferred tax assets (liabilities)</i>					
Investments	29	-	-	-	29
Land	(705)	-	-	-	(705)
Provisions for employee benefits	294	124	83	-	501
Tax losses	2,031	(891)	-	-	1,140
Others	(69)	10	-	50	(9)
Total	1,580	(757)	83	50	956

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30 Earnings per share

The calculations of earnings per share for the years ended 31 December were based on the profit for the years attributable to ordinary shareholders of the Company less cumulative interest expense for the year net of income tax on subordinated perpetual debentures and the weighted average number of ordinary shares held by third parties outstanding during the years as follows:

	<i>(Unit: Million Baht/Million shares)</i>			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the year attributable to ordinary shareholders of the Company	26,022	18,456	8,724	6,228
<i>Less: cumulative interest expense for the year net of income tax on subordinated perpetual debentures</i>	<i>(602)</i>	<i>(600)</i>	<i>(602)</i>	<i>(600)</i>
Profit used in calculation of earnings per share (basic)	25,420	17,856	8,122	5,628
Interest expense on convertible bonds, net of tax	130	-	-	-
Profit used in calculation of earnings per share (diluted)	25,550	17,856	8,122	5,628
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at the beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(426)	(426)	-	-
Effect of own shares held	(80)	-	(80)	-
Number of ordinary shares outstanding (basic) at the end of period	8,105	8,185	8,531	8,611
Effect of conversion of convertible bonds	125	-	125	-
Number of ordinary shares outstanding (diluted) at the end of period	8,230	8,185	8,656	8,611
Basic earnings per share (in Baht)	3.14	2.18	0.95	0.65
Diluted earnings per share (in Baht)	3.10	2.18	0.94	0.65

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31 Dividends

Details of dividends for the years ended 31 December were as follows:

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
2020				
1 April 2020	0.40	8,611,242,385	3,444	Profit after deduction of taxable losses
13 August 2020	0.40	8,497,952,585	3,400	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			6,844	
2019				
24 April 2019	0.30	8,611,242,385	2,583	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
13 August 2019	0.30	8,611,242,385	2,583	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			5,166	

32 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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		Consolidated financial statements							
		Carrying amount				Fair value			
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2020									
Financial assets									
Investment in equity securities									
- Marketable equity securities		-	2,552	-	2,552	2,552	-	-	2,552
- Non-marketable equity securities		-	8,869	-	8,869	-	-	8,869	8,869
Derivative assets		155	-	-	155	-	155	-	155
Total financial assets		155	11,421	-	11,576				
Financial liabilities									
Long-term borrowings									
- Debentures	20	-	-	177,240	177,240	-	185,646	-	185,646
- Exchangeable bonds	20	-	-	2,885	2,885	-	2,827	-	2,827
- Convertible bonds	20	-	-	8,228	8,228	-	8,252	-	8,252
Derivative liabilities		2,190	-	-	2,190	-	2,190	-	2,190
Total financial liabilities		2,190	-	188,353	190,543				

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		Separate financial statements				Fair value			
			Carrying amount						
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2020									
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	663	-	663	-	-	663	663
Derivative assets		11	-	-	11	-	11	-	11
Total financial assets		11	663	-	674				
Financial liabilities									
Long-term borrowings									
-Debentures	20	-	-	101,240	101,240	-	107,305	-	107,305
Derivative liabilities		309	-	-	309	-	309	-	309
Total financial liabilities		309	-	101,240	101,549				

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	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2019					
Financial assets					
Forward exchange contracts	621	-	509	-	509
Cross currency and interest rate swaps	15	-	566	-	566
Financial liabilities					
Forward exchange contract	3	-	65	-	65
Cross currency and interest rate swaps	221	-	377	-	377
Debentures	153,852	-	164,899	-	164,899
Exchangeable bonds	2,797	-	2,941	-	2,941

(Unit: Million Baht)

	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2019					
Financial assets					
Forward exchange contracts	29	-	9	-	9
Financial liabilities					
Cross currency and interest rate swaps	105	-	207	-	207
Debentures	92,500	-	100,447	-	100,447

Financial instruments measured at Level 2 fair values

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.
Debentures	Determined based on quoted prices in the debenture markets traded in Thai and overseas markets by using the closing price at the end of the reporting period.
Exchangeable bonds (“EBs”)/ Convertible bonds (“CBs”)	Determined based on quoted prices in the EBs/CBs market traded in overseas by using the closing price at the end of the reporting period.

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Financial instruments measured at Level 3 fair values

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-marketable equity securities	<i>Market comparison technique:</i> The valuation model is based on multiples derived from market information comparable to the investee. The estimate is adjusted for the effect of the non-marketable of the equity securities.	Adjusted multiple (1.0 - 1.6 for 31 December 2020 and 1 January 2020).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).

Reconciliation of Level 3 fair values

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2020	2019	2020	2019
Investment in non-marketable equity securities				
At 31 December - as reported	1,444	1,505	150	150
Impact of changes in accounting policies	7,360	-	513	-
At 1 January - restated	8,804	1,505	663	-
Currency translation differences	65	(61)	-	-
At 31 December	8,869	1,444	663	150

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(b) Movement of marketable equity securities

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Marketable equity securities				
Current financial assets				
Equity securities measured at FVOCI				
At 1 January	3,880	-	-	-
Fair value adjustment	(860)	-	-	-
Disposal of equity securities held under a loss of control entity	(512)	-	-	-
Currency translation differences	44	-	-	-
At 31 December	2,552	-	-	-
Investments held as available-for-sale securities				
At 1 January	-	4,262	-	-
Fair value adjustment	-	(143)	-	-
Currency translation differences	-	(239)	-	-
At 31 December	-	3,880	-	-

(c) 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.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(c.1.1) Accounts receivables - trade and others

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, 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

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requiring credit facilities and also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 26.

Information about the exposure to credit risk and ECLs for accounts receivables trade and others as at 31 December 2020 were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	Total carrying amounts	Allowance for impairment losses	Total carrying amounts	Allowance for impairment losses
At 31 December 2020				
Within credit terms	24,172	318	1,553	-
Overdue 1 - 60 days	4,282	12	386	-
Overdue 60 - 120 days	666	17	124	-
More than 120 days	1,842	663	598	77
Total	30,962	1,010	2,661	77
Less allowance for impairment losses	(1,010)		(77)	
Net	29,952		2,584	

The outstanding balances of the allowance for impairment losses of account receivable - trade and others classified by aging were as follow:

	<i>(Unit: Million Baht)</i> Consolidated financial statements		Separate financial statements	
At 31 December 2019				
Periods over credit terms:				
Over 3 months to 6 months		42		-
Over 6 months to 12 months		96		-
Over 12 months		904		5
Total		1,042		5

(c.1.2) Guarantees

At 31 December 2020, the Group had commitments under the letters of guarantee for financial guarantees for government agencies, financial institutions and others (see note 34.4).

(c.2) 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.

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The outstanding balances of loans as at 31 December classified by periods in which the loans mature and the interest rates were as follows:

<i>(Unit: Million Baht)</i>					
Consolidated financial statements					
	Average interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Long-term loans to associate	2.81	-	49	-	49
Total		-	49	-	49
2019					
Short-term loans to joint ventures	4.74	188	-	-	188
Long-term loans to associate	3.51	-	29	-	29
Total		188	29	-	217
<i>(Unit: Million Baht)</i>					
Separate financial statements					
	Interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Short-term loans to subsidiaries	5.88	20,024	-	-	20,024
Long-term loans to subsidiaries	5.00	-	570	-	570
Total		20,024	570	-	20,594
2019					
Short-term loans to subsidiaries	6.88	43,075	-	-	43,075
Long-term loans to subsidiaries	4.85 - 7.50	-	600	-	600
Total		43,075	600	-	43,675

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The outstanding balances of interest-bearing liabilities as at 31 December classified by periods in which those liabilities mature and the interest rates were as follows:

		(Unit: Million Baht)			
		Consolidated financial statements			
	Average interest rates (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Bank overdrafts and short-term borrowings from financial institutions	0.96 - 6.35	63,846	-	-	63,846
Bills of exchange	1.65 - 1.67	38,754	-	-	38,754
Short-term borrowings from related parties	4.18 - 6.50	423	-	-	423
Long-term borrowings from financial institutions	0.96 - 11.00	13,692	76,448	2,730	92,870
Debentures	2.84 - 4.89	23,335	81,456	83,562	188,353
Lease liabilities	1.17 - 20.06	4,173	11,871	15,821	31,865
Total		144,223	169,775	102,113	416,111
Derivative liabilities		670	1,520	-	2,190
		670	1,520	-	2,190
2019					
Bank overdrafts and short-term borrowings from financial institutions	1.12 - 7.83	72,204	-	-	72,204
Bills of exchange	1.80 - 1.99	21,818	-	-	21,818
Short-term borrowings from joint ventures	2.00	657	-	-	657
Long-term borrowings from financial institutions	1.28 - 11.00	21,144	57,072	1,562	79,778
Debentures	2.84 - 4.27	21,260	61,789	73,600	156,649
Lease liabilities	1.32 - 16.72	324	720	1,752	2,796
Total		137,407	119,581	76,914	333,902

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The outstanding balances of interest-bearing liabilities as at 31 December classified by periods in which those liabilities mature and the interest rates were as follows:

		<i>(Unit: Million Baht)</i>			
		Separate financial statements			
	Interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2020					
Short-term borrowings from financial institutions	0.90 - 2.90	5,400	-	-	5,400
Bills of exchange	1.04 - 2.35	18,158	-	-	18,158
Short-term borrowing from subsidiary	2.00 - 3.90	13,251	-	-	13,251
Long-term borrowings from financial institutions	3.91	-	2,858	-	2,858
Debentures	2.28 - 5.42	8,500	44,333	48,407	101,240
Lease liabilities	3.04	217	186	-	403
Total		45,526	47,377	48,407	141,310
Derivative liabilities		60	249	-	309
		60	249	-	309
2019					
Bank overdrafts and short-term borrowings from financial institutions	1.65 - 1.75	2,853	-	-	2,853
Bills of exchange	1.61 - 2.27	16,339	-	-	16,339
Short-term borrowing from subsidiary	3.81 - 3.90	6,500	-	-	6,500
Long-term borrowings from financial institutions	4.01 - 4.81	260	2,968	-	3,228
Debentures	2.28 - 5.42	16,260	33,240	43,000	92,500
Total		42,212	36,208	43,000	121,420

(c.3) Market risk

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 derivatives for speculative or trading purposes.

(c.3.1) 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 enters into 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.

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At 31 December the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
	Foreign currency	2020	2019	2020	2019
Accounts receivable - trade and others					
Foreign currencies	Won	137	453	-	-
	Renminbi	579	373	579	373
	United States Dollar	839	1,281	228	205
	Euro	345	402	-	19
	Pound Sterling	-	10	46	21
Forward exchange contracts	Won	137	453	-	-
	Renminbi	579	373	579	373
	United States Dollar	678	981	228	205
	Euro	-	-	-	19
	Pound Sterling	-	-	46	21
Interest-bearing liabilities					
Foreign currencies	United States Dollar	7,518	11,886	3,464	3,228
	Euro	309	149	-	-
Forwards exchange contracts and cross currency and interest rate swaps	United States Dollar	6,109	11,132	3,464	3,228
	Euro	165	95	-	-
Accounts payable - trade and others					
Foreign currencies	United States Dollar	1,730	2,972	1	6
	Euro	997	501	-	-
	Renminbi	7	13	-	-
Forward exchange contracts	United States Dollar	444	3,002	1	6
	Euro	15	100	-	-
	Renminbi	7	9	-	-
Forecast sales					
Forward exchange contracts	Won	211	57	-	-
	United States Dollar	4,341	3,041	237	131
	Pound Sterling	121	1,206	32	78
	Euro	386	296	-	-
	Renminbi	206	30	206	27
Forecast purchases					
Foreign currencies	Euro	18	683	-	-
	United States Dollar	13	60	-	2
Forward exchange contracts	United States Dollar	5,011	3,399	-	-

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>(Unit: Million Baht)</i>					
Consolidated financial statements					
<i>At 31 December 2020</i>	Movement	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
	(%)				
United States					
Dollar	1	294	(294)	(39)	39
<i>(Unit: Million Baht)</i>					
Separate financial statements					
<i>At 31 December 2020</i>	Movement	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
	(%)				
United States					
Dollar	1	(23)	23	(1)	1

(c.3.2) 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.

Cross currency and interest rate swap contract

As at 31 December 2020, the Group had cross currency and interest rate swap agreements with the financial institutions to manage exposure of fluctuations in foreign exchange rates and interest rates as follows:

1) The Company had cross currency and interest rate swap agreements with certain financial institutions for long-term borrowing totaling U.S. Dollar 95 million. The Company has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rates refer to LIBOR plus specified rate.

2) A subsidiary had several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 80 million. The subsidiary has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

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3) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling Euro 4 million. The subsidiary has commitments to make payments for the fixed interest rate in Indian Rupee and the counterparty has commitments to make payments in Euro for the fixed interest rate.

4) A subsidiary had several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 17 million. The subsidiary has commitments to make payments for the fixed interest rate in Vietnamese Dong and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

(c.4) Cash flow hedges

The Group adopts hedge accounting for some derivatives which meet the condition of cash flow hedges instruments and determines the hedge ratio by considering the relationship of the relevant transactions and risk factors between hedged items and hedging instruments.

The Group determined hedge effectiveness at the inception of the hedge relationship, and through periodic effectiveness assessments, to ensure that an economic relationship exists between the hedged items and hedging instruments. The Group held the following financial instruments to hedge exposures to changes in foreign currency and interest rates. Ineffectiveness may arise from the effect of the counterparties' and the Group's own credit risk on the fair value of the foreign exchange contracts and/or the interest swaps, which are not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates and/or interest rate, throughout the differences in the timing of the hedged transactions and/or the differences in repricing dates between the swaps and the borrowings.

At 31 December 2020, the Group and the Company had the cash flow hedge reserve presented in other comprehensive income comprising financial instruments as follows

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	Total carrying amounts	Cash flow hedge reserve	Total carrying amounts	Cash flow hedge reserve
Financial assets	4,623	34	934	4
Financial liabilities	44,457	(1,470)	3,464	(96)
Total		(1,436)		(92)

33 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.

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34 Commitments with non-related parties

As at 31 December the Group had commitments with non-related parties as follows:

34.1 Capital commitments

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2020	2019	2020	2019
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,112	5,211	-	-
Machinery, equipment and others	2,485	4,376	275	546
Total	5,597	9,587	275	546

34.2 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 be terminated as at 31 December 2022. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 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 2020 totalled Baht 18 million (2019: Baht 14 million).

34.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 2,051 million (2019: Baht 2,065 million).

34.4 Letters of guarantee

- (a) The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 16 million and Baht 2,490 million, respectively (2019: Baht 16 million and Baht 9,192 million, respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.
- (b) Certain foreign subsidiaries have commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 305 million (2019: Baht 314 million).

34.5 Sponsor Undertaking

The Company has provided sponsor undertaking for the Exchangeable bond which was issued by a subsidiary, as disclosed in note 20.

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35 Events after the reporting period

- 35.1 As disclosed in note 5 to the financial statements, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from COVID-19 pandemic. The guidance expired on 31 December 2020.

However, the COVID-19 pandemic continued subsequent to the expiration of the guidance. It is still not possible to predict when the spread will be over. As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, and government measures on the business of the Group.

- 35.2 On 22 January 2021, the Company issued Baht 30,000 million unsubordinated and unsecured debentures No. 1/2021 in registered name and with debenture holder representative, a term of 2-12 years and bearing interest at the fixed rate of 1.75% - 3.80% per annum.

The debentures had credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 December 2020 and were registered with the Thai Bond Market Association on 22 January 2021.



Charoen Pokphand Foods Public Company Limited

Attachment 1

Details of Directors, Executives, Company Secretary and Bookkeeper

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding in CPF (%)		Family relations with other executives	Working Experience for the past 5 years			
				Direct	Indirect ²		Period	Position	Company	Business
Mr. Soopakij Chearavanont Chairman	57	Apr. 24, 2019	Honorary Doctorate in Business Administration Ramkhamhaeng University Bachelor Degree in Business Administration The College of Business and Public Administration of New York University Director Accreditation Program No. 92/2011 Thai Institute of Directors Association	None	None	Elder brother of Mr. Suphachai Chearavanont and cousin of Mr. Phongthep Chiaravanont	2019-Present 2019-Present 2019-Present Present 2019-Present 2019-Present Present Present Present Present Present Present Present Present Present	<u>CPF Group</u> Chairman Chairman and Executive Director Chairman and member of Nomination Committee Director <u>Other Listed Companies</u> Chairman <u>Other Juristic Person</u> Chairman Chairman Chairman Director Director Director Director Director Director Director Director Director	Charoen Pokphand Foods Plc. C.P. Pokphand Co., Ltd. Chia Tai Enterprises International Ltd Subsidiaries of Charoen Pokphand Foods Plc. CP All Plc. Charoen Pokphand Group Co., Ltd. True Media Solutions Co., Ltd. Panther Entertainment Co., Ltd. Magnolia International Corporation Co., Ltd. Ross Breeder Siam Co., Ltd. MG Sales (Thailand) Co., Ltd. C.P. Retail Holding Co., Ltd. Arbor Acres Thailand Co., Ltd. C.P. Retail Development Co., Ltd. CP Social Impact Co., Ltd.	Agro-industrial and food Investment in agro-industrial and food Investment Convenience store business Investment, import and sale of chemical products, and technical assistance service Entertainment Entertainment Property development Chicken breeding and distribution Automobile distributor Investment Chicken breeding and distribution Investment Production of products and services for community development
Mr. Chingchai Lohawatanakul Vice Chairman	82	Dec. 28, 1993 ³	Master Degree in Science Arizona State University, USA Director Certification Program No. 5/2001 Thai Institute of Directors Association	0.2810%	None	None	1993-Present 1995-Present Present Present Present Present Present Present	<u>CPF Group</u> Vice Chairman Director Director Director and Senior Vice Chairman Director Director Director Director	Charoen Pokphand Foods Plc. CPF Investment Ltd. Homegrown Shrimp (USA), LLC. Charoen Pokphand Group Co., Ltd. C.P. Intertrade Co., Ltd. C.P. Aquaculture (India) Private Ltd. Triumph Enterprise Ltd., Partnership	Agro-industrial and food Investment Shrimp farming Investment, import and sale of chemical products, and technical assistance service International trading Aquatic feedmill and shrimp hatchery Property development
Mr. Adirek Sripratak Vice Chairman Chairman of Executive Committee Member of Corporate Social Responsibility and Sustainable Development Committee Member of Corporate Governance Committee and Member of Remuneration and Nominating Committee	75	Jul. 14, 1998	Honorary Doctorate in Business Administration (Management) Rajamangala University of Technology Suvamabhumb Honorary Doctorate in Philosophy Faculty of Food Technology Mae Fah Luang University Honorary Doctorate in Philosophy Faculty of Food Science Kasetsart University Honorary Doctorate in Science Maejo University Honorary Doctorate in Economics Chiang Mai University Honorary Doctorate in Science, Food Science and Technology Rajamangala University of Technology Isar Honorary Doctorate in Science (Agriculture) Nakhon Sawan Rajabhat University Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Certification Program No. 5/2001 Director Accreditation Program (May 4, 2005) Thai Institute of Directors Association	0.0017%	None	Elder Brother of Mrs. Arunee Watcharananan	2019-Present 2017-Present 2013-Present 2012-Present 2012-Present 2012-Present Present 2013-Present 2005-Present Present Present Present Present Present Present Present Present 2003-2017	<u>CPF Group</u> Member of Remuneration and Nominating Committee Chairman of the Executive Committee and Member of the Corporate Governance Vice Chairman Member of Corporate Social Responsibility and Sustainable Development Committee Chairman Vice Chairman, member of Remuneration Committee and Nomination Committee Director <u>Other Listed Companies</u> Director Director <u>Other Juristic Person</u> Director Director Director Director Director Director Director Honorary President <u>Past Experiences (2016-2020)</u> President and Chief Executive Officer (CEO)	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. CPF (Thailand) Plc. C.P. Pokphand Co., Ltd. Subsidiaries of Charoen Pokphand Foods Plc. Siam Makro Plc. CP All Plc. CP-Meiji Co., Ltd. C.P. Retail Holding Co., Ltd. C.P. Retail Development Co., Ltd. Ross Breeder Siam Co., Ltd. Arbor Acres Thailand Co., Ltd. HyLife Group Holdings Ltd. Lotuss Stores (Thailand) Co., Ltd. Thai Broiler Processing Exporters Association Charoen Pokphand Foods Plc.	Agro-industrial and food Agro-industrial and food Agro-industrial and food Agro-industrial and food Agro-industrial and food Investment Cash and carry wholesale business Convenient Retail Store Manufacturing and distribution of milk products and healthy dairy products Investment Investment Chicken breeding and distribution Chicken breeding and distribution Investment Investment Association Agro-industrial and food

¹ Executives according to the announcement of SEC n. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992³ The date which Extraordinary General Shareholders' Meeting passed a resolution confirming the conversion of the Company to be public company limited Exchange Act 1992

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities

² Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992

³ The date which Extraordinary General Shareholders' Meeting passed a resolution confirming the conversion of the Company to be public company limitedExchange Act (1992)

Attachment 1 Item 1.1 Details about Director, Executives¹ Company Secretary and Bookkeeper

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding in CPF (%)		Family relations with other executives	Working Experience for the past 5 years			
				Direct	Indirect ²		Period	Position	Company	Business
Mr. Rungson Sriworasat Independent Director Chairman of Audit Committee and Chairman of Corporate Governance Committee	66	Feb. 1, 2016	Master Degree in Business Administration Prince of Songkla University Bachelor Degree in Accountancy Ramkhamhaeng University Bachelor Degree in Law Sukhothai Thammathirat University Senior Executive Program 1, No. 42 Office of the Civil Service Commissior, National Defense College, 2003 Senior Executive on Criminal Justice Administration(BorYorSor.10) Institute of Administrative Justice Politics and Governance in Democratic Systems for Executives(No. 13) King Prajadhipok's Institute Training program for Inspector of the Ministry Senior Executive on Criminal Justice Administration Nc. 2 (BorYorSor.2) Executive Development Program Nc. 10 Capital Market Academy Anti-Corruption for Executive Program No. 14/2015 Role of the Chairman Program No. 28/2012 Audit Committee Program No. 26/2009 Refresher Course DCP No. 1/2008 Finance for Non-Finance Director No. 39/2008 Successful Formulation & Execution the Strategy No. 2/2008 Director Certification Program No. 81/2006 Thai Institute of Directors Association Good Governance for Medical Executives Nc. 7 (Oct. 2018-June 2019) King Prajadhipok's Institute	None	None	None	2016-Present 2018-Present 2017-Present 2017-Present 2015-Present Present 2019-Present 2018-Present 2017-Present 2012-Present 2014-Present 2015-2019 2013-May 2018 2014-2015 2013-2015	<u>CPF Group</u> Independent Director, Chairman of Audit Committee and Corporate Governance Committee <u>Other Listed Companies</u> Independent director Chairman of Audit Committee, independent director and member of Nomination and Remunerating Committee Independent director and member of Risk Management Committee Independent director <u>Other Juristic Person</u> Director Chairman of Audit Committee and Evaluation Member of the university council Member of the university council Audit member of the Thai Bar Honorary member of the university council Advisor to the Prime Minister Chairman Director Permanent Secretary	Charoen Pokphand Foods Plc. Asset World Corp Plc. U City Plc. WP Energy Plc. Berli Jucker Plc. Deestone Corporation Ltd. Ministry of Finance University of the Thai Chamber of Commerce North-Chiang Mai University The Thai Bar Prince of Songkla University Secretariat of the Prime Minister TMB Bank Plc. PTT Plc. Ministry of Finance	Agro-industrial and food Investment in companies that operate in property business Property development Supply, distribution and transportation of liquefied petroleum gas Manufacture and sale of packaging, consumer goods and retail Manufacture and sale of tyre Academic institution Academic institution Academic institution Academic institution Commercial bank Energy Ministry
Professor Dr. Pongsak Angkasith Independent Director Member of Audit Committee Member of Remuneration and Nominating Committee and Chairman of Corporate Social Responsibility and Sustainable Development Committee	73	Aug. 1, 2013	Ph.D. in Agricultural Education and Extensor Oklahoma State University, USA Master Degree in Agricultural Education and Extensor Oklahoma State University, USA Bachelor Degree in Agriculture Chiang Mai University International Agriculture Centre Wageningen, the Netherlands International Project Administration and Management course Management for Development Foundation, Ede, the Netherlands Director Certification Program in Year 2006 Advanced Audit Committee Program No. 36/2020 Thai Institute of Directors Association Seminar "Enhancing Audit Committee Excellences through Internal Audit" Nov. 21, 2017, KPMG Executive Development Program Nc. 27 (2018) Capital Market Academy	0.0006%	None	None	2019-Present 2016-Present 2013-Present Present Present Present 2014-Present 2014-Present 1992-Present Present 2006-2017	<u>CPF Group</u> Chairman of Corporate Social Responsibility and Sustainable Development Committee Member of Remuneration and Nominating Committee Independent director and member of Audit Committee Independent director, member of Audit Committee and Chairman of Corporate Governance Committee <u>Other Juristic Person</u> Member of University Council and Committee Member of University Council and Committee Rector, College of Agricultural Innovation Biotechnology and Food President Executive Director and Head of Coffee Research Chairman <u>Past Experiences (2016-2020)</u> President	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. C.P. Pokphand Co., Ltd. Thammasat University Rangsit University Rangsit University Northern Thai Arabica Coffee Association Royal Project Foundation Pracharat Rak Samakkee Chiang Mai (Social Enterprise) Co., Ltd. Agricultural Support Association	Agro-industrial and food Agro-industrial and food Agro-industrial and food Investment in agro-industrial and food Academic institution Academic institution Academic institution Association Foundation Social enterprise Association
Pol. Gen. Phatcharawat Wongsuwar Independent Director Chairman of Remuneration and Nominating Committee and Member of Corporate Social Responsibility and Sustainable Development Committee	72	Aug. 11, 2016	Master Degree in Arts (Social Development) Kasetsart University Royal Police Cadet Academy No.25 Armed Forces Academy Preparatory School Nc. 9 Diploma, National Defence College, The State Private Sector and Political Course No. 2 Director Accreditation Program No. 137/2017 Thai Institute of Directors Association	None	None	None	2019-Present 2016-Present 2017-Present 2014-Present 2013-Present Present	<u>CPF Group</u> Member of Corporate Social Responsibility and Sustainable Development Committee Independent director and Chairman of Remuneration and Nominating Committee <u>Other Listed Companies</u> Vice Chairman Director Director <u>Other Juristic Person</u> Director	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Country Group Development Plc. Energy Absolute Plc. CP All Plc. The Thai Dairy Industry Co., Ltd.	Agro-industrial and food Agro-industrial and food Property development Alternative energy Convenient Retail Store Manufacture and sale of dairy products

¹ Executives according to the announcement of SEC nc. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992

Attachment 1 Item 1.1 Details about Director, Executives¹ Company Secretary and Bookkeeper

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding in CPF (%)		Family relations with other executives	Working Experience for the past 5 years			
				Direct	Indirect ²		Period	Position	Company	Business
Mrs. Vatchari Vimooktayor Independent Director and Member of Audit Committee	68	Feb. 18, 2019	Master Degree in Business Administration National Institute of Development Administration Bachelor Degree in Accounting Thammasat University Bachelor Degree in Law Sukhothai Thammathirat University Director Certification Program No. 287/2019 Advanced Audit Committee Program No. 36/2020 Thai Institute of Directors Association	None	None	None	2019-Present 2013-Present	<u>CPF Group</u> Director and member of Audit Committee Independent director, member of Remuneration Committee and Chairperson of Nomination Committee	Charoen Pokphand Foods Plc. C.P. Pokphand Co., Ltd.	Agro-industrial and food Investment in agro-industrial and food
Mr. Vinal Vittavassamvej Independent Director Member of Audit Committee and Member of Corporate Governance Committee	70	Apr. 24, 2019	Master Degree in Political Science Thammasat University Bachelor Degree in Accounting Thammasat University Director Certification Program No. 77/2006 Audit Committee Program No. 40/2012 Thai Institute of Directors Association	None	None	None	2019-Present 2013-Present 2014-Present 2012-Present 2012-Present Present 2016-2019	<u>CPF Group</u> Director, member of Audit Committee and Corporate Governance Committee Independent director, member of Audit Committee and Chairman of Remuneration Committee <u>Other Listed Companies</u> Independent director, Vice Chairman and Chairman of Audit Committee Independent director and member of Audit Committee Independent director and Chairman <u>Other Juristic Person</u> Independent director <u>Past Experiences (2016-2020)</u> Director and member of Audit Committee	Charoen Pokphand Foods Plc. C.P. Pokphand Co., Ltd. Srisawad Corporation Plc. Ekarat Engineering Plc. Sahamitr Pressure Container Plc. JSSR Group Plc. Syn Mun Kong Insurance Plc.	Agro-industrial and food Investment in agro-industrial and food Loan services to retail customers Transformer manufacturer, design and build up the substation and Solar Power System Manufacturer of LPG cylinders Machinery and equipment business, civil engineering, mining and construction Insurance
Mrs. Arunee Watcharananan Director and Vice Chairperson of Executive Committee	73	Mar. 29, 2000	Bachelor degree in Economics Thammasat University Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Accreditation Program (May 4, 2005) Thai Institute of Directors Association	0.0950%	None	Younger sister of Mr. Adirek Sripatak	2020-Present 2000-Present 2012-Present 2012-Present Present 2003-Present	<u>CPF Group</u> Vice Chairperson of Executive Committee Director and member of Executive Committee Director Executive Director Director <u>Other Juristic Person</u> Deputy Group CFO	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. CPF (Thailand) Plc. C.P. Pokphand Co., Ltd. Subsidiaries of Charoen Pokphand Foods Plc. Charoen Pokphand Group Co., LTD	Agro-industrial and food Agro-industrial and food Agro-industrial and food Investment in agro-industrial and food Investment, import and sale of chemical products, and technical assistance service
Mr. Prasit Boondoungprasert Director Member of Executive Committee and Chief Executive Officer	53	May 10, 2019	Master of Business Administration Cleveland State University, USA Bachelor Degree in Accounting Rajamangala University of Technology Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Certification Program No. 204/2015 Thai Institute of Directors Association	0.0006%	None	None	2019-Present Present Present Present 2018-2019 2017-2019	<u>CPF Group</u> Director, Chief Executive Officer and member of Executive Committee Director <u>Other Juristic Person</u> Director Director <u>Past Experiences (2016-2020)</u> Chief Operating Officer - Chicken Business Chief Operating Officer - International Trade and Business Development	Charoen Pokphand Foods Plc. Subsidiaries of Charoen Pokphand Foods Plc. CP-Meiji Co., Ltd. Siam Rivea Co., Ltd. CPF (Thailand) Plc. CPF (Thailand) Plc.	Agro-industrial and food Manufacturing and distribution of milk products and healthy dairy Restaurant Agro-industrial and food Agro-industrial and food
Mr. Siripong Aroonratana Director Member of Executive Committee Chief Operating Officer - Livestock Business and Chief Operating Officer – Sausage and Ready-to-eat Business	56	Jun. 24, 2020	Master of Business Administration National Institute of Development Administration Bachelor Degree in Industrial Engineering Prince of Songkla University Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Thai Institute of Directors Association	0.0008%	None	None	2020-Present 2019-Present Present	<u>CPF Group</u> Director and Member of Executive Committee Chief Operating Officer - Livestock Business Chief Operating Officer - Sausage and Ready-to-eat Business Director	Charoen Pokphand Foods Plc. CPF (Thailand) Plc. Subsidiaries of Charoen Pokphand Foods Plc.	Agro-industrial and food Agro-industrial and food
Dr. Sujint Thammasart, D.V.M. Director Member of Executive Committee and Chief Operating Officer - Aquaculture Business	67	Jun. 24, 2020	Bachelor Degree in Veterinary Medicine Kasetsart University Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Accreditation Program (May 4, 2005) Thai Institute of Directors Association	0.0016%	None	None	2020-Present 2019-Present 2016-Present Present	<u>CPF Group</u> Director Member of Executive Committee Chief Operating Officer - Aquaculture Business Director	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Homegrown Shrimp (USA), LLC.	Agro-industrial and food Agro-industrial and food Agro-industrial and food Shrimp farming

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992 and nominee

Attachment 1 Item 1.1 Details about Director, Executives¹, Company Secretary and Bookkeeper

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding in CPF (%)		Family relations with other executives	Working Experience for the past 5 years			
				Direct	Indirect ²		Period	Position	Company	Business
Mr. Pisan Chirakitcharn Director Member of Executive Committee and Chief Financial Officer	62	Jul. 8, 2020	Master Degree in Business Administration National Institute of Development Administration Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Accreditation Program (May 4, 2005) Director Certification program No. 98/2008 Thai Institute of Directors Association Updating New Financial Reporting Standard for Future Analyst (Jun. 22, 2018) Thailand Federation of Accounting Professions, collaboration with Investment Analysts Association Seminar (Exclusive Lunch Talk on Wealth@Wise' (Apr. 29, 2019) Seminar TFRS Update and Practical Issues (Dec. 23, 2020) KMPG Thailand	0.0012%	None	None	2020-Present 2017-Present 2003-Present 2012-Present Present Present Present Present Present	Director Member of Executive Committee Chief Financial Officer Director Director Director Director Director Director	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. CPF (Thailand) Plc. Subsidiaries of Charoen Pokphand Foods Plc. Arbor Acres Thailand Co., Ltd. CP-Meiji Co., Ltd. Charoen Pokphand Capital Co., Ltd. Hylife Group Holdings Ltd.	Agro-industrial and food Agro-industrial and food Agro-industrial and food Agro-industrial and food Chicken breeding and distribution Manufacturing and distribution of milk products and healthy dairy Investment Investment
Mr. Sathit Sangkanarubdee Chief Operating Officer - Five Star and Restaurant Business	65	-	Bachelor Degree in Agricultural Economics Kasetsart University Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Corporate Governance for Executives (Dec. 7-8, 2017) Director Certification Program No. 218/2016 Thai Institute of Directors Association	0.0022%	None	None	2015-Present Present Present	Chief Operating Officer - Five Star and Restaurant Business Director Director	Charoen Pokphand Foods Plc. Subsidiaries of Charoen Pokphand Foods Plc. Siam Rivea Co., Ltd	Agro-industrial and food Agro-industrial and food Restaurant
Mrs. Kobboon Srithai Company Secretary member of Executive Committee and Senior Vice President - Investor Relations and Capital Marke	54	-	Master Degree in Business Administration - International Business Azusa Pacific University, USA Bachelor Degree in Laws Thammasat University Training by Thai Institute of Directors Association Company Secretary Program (2005) Director Accreditation Program (2005) Director Certification program (2008) Risk Management Program for Corporate Leaders (Nov. 7-8, 2017) Board Reporting Program (May 31, 2019) Director Leadership Certification Program (Nov. 17- 18, 2020) <u>Other Training</u> Executive Program in 2007 Capital Market Academy Leadership Succession Program (LSP) in 2009 Institute of Research and Development for Public Enterprises Diploma, The National Defence Course Class 2015 Thailand National Defence College The Rule of Law and Development in 2017 Thailand Institute of Justice Thailand Insurance Leadership Program No.7 (Aug. 2017 - Feb. 2018) Office of Insurance Commission (OIC) The Executive Program in Energy Literacy for a Sustainable Future No. 15/2020 Thailand Energy Academy	None	None	None	2019-Present Present 2016-Present 2015-Present 2019 - Present 2017 - 2020 2017 - 2018 2016 - 2018	Member of Executive Committee and Company Secretary Senior Vice President - Investor Relations and Capital Marke <u>Other Juristic Person</u> Sub-committee on Consideration of Regulations on Issuance and Offering of Equity Instruments Sub-committee on Overall Management and Corporate Strategies Member of working group regarding the preparation of ESG practices for directors <u>Past Experiences (2016-2020)</u> Independent Director Chairman of Auditing and Evaluation Subcommittee Honorary Director - Business Administration	Charoen Pokphand Foods Plc. Charoen Pokphand Foods Plc. Securities and Exchange Commission Thailand Management Association Thai Institute of Directors Association Latex Systems Plc. Biodiversity-Based Economy Development Office Biodiversity-Based Economy Development Office	Agro-industrial and food Agro-industrial and food Latex pillow and mattress business
Mr. Santi Vitayapipopskul Head of CPF Finance & Accounting Shared Service Center (Bookkeeper)	56	-	Bachelor Degree in Accounting Ramkhamhaeng University Mini MBA (1997) National Institute of Development Administration Mini MBA (2013) Thammasat University Leadership Succession Program (LSP) (2016) Institute of Research and Development for Public Enterprises Seminar TFRS Update and Practical Issues (Dec. 23, 2020) KMPG Thailand Preparation of accurate financial statements to be compiled with accounting and tax regulations (2020) Revenue Department	0.00001%	0.000003%	None	Present	Head of CPF Finance & Accounting Shared Service Center	Charoen Pokphand Foods Plc.	Agro-industrial and food

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992 and nominee³ Qualified as a bookkeeper according to the Notification of the Department of Business Development

Attachment 1 item 1.2 Information about CPF shares held by directors and executives ¹

Name - Surname	Balance as of December 31,		Increase (Decrease) during the year
	2019	2020	
1. Mr. Soopakij Chearavanont	0	0	0
Spouse and minor children	0	0	0
2. Mr. Chingchai Lohawatanakul	24,195,131	24,195,131	0
Spouse and minor children	0	0	0
3. Mr. Adirek Sripratak	144,778	144,778	0
Spouse and minor children	0	0	0
4. Mr. Phongthep Chiaravanont	1,100,000	1,100,000	0
Spouse and minor children	890,000	890,000	0
5. Mr. Suphachai Chearavanont	0	0	0
Spouse and minor children	73,600	78,600	5,000
6. Mr. Rungson Sriworasat	0	0	0
Spouse and minor children	0	0	0
7. Professor Dr. Pongsak Angkasith	50,000	50,000	0
Spouse and minor children	0	0	0
8. Pol. Gen. Phatcharavat Wongsuwan	0	0	0
Spouse and minor children	0	0	0
9. Mrs. Vatchari Vimooktayon	0	0	0
Spouse and minor children	0	0	0
10. Mr. Vinai Vittavasgamvej	0	0	0
Spouse and minor children	0	0	0
11. Mrs. Arunee Watcharananan	8,180,000	8,180,000	0
Spouse and minor children	0	0	0
12. Mr. Prasit Boondoungprasert	0	50,000	50,000
Spouse and minor children	0	0	0
13. Mr. Siripong Aroonratana	65,000	65,000	0
Spouse and minor children	0	0	0
14. Dr. Sujint Thammasart, D.V.M.	138,348	138,348	0
Spouse and minor children	0	0	0
15. Mr. Paisan Chirakitcharem	99,417	99,417	0
Spouse and minor children	0	0	0
16. Mr. Sathit Sangkanarubordee	189,533	189,533	0
Spouse and minor children	0	0	0

¹ Executive according to the definition in announcement by Office of the Securities and Exchange Commission (SEC) at KorChor 17/2008

Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities

Company	Director and Executives															
	Mr. Soopakij	Mr. Chingchai	Mr. Adirek	Mr. Phongthep	Mr. Suphachai	Mr. Rungson	Prof. Dr. Pongsak	Pol. Gen. Phatcharavat	Mrs. Vatchari	Mr. Vinai	Mrs. Arunee	Mr. Prasit	Dr. Sujint	Mr. Siripong	Mr. Paisan	Mr. Sathit
	Chearavanont	Lohawatanakul	Sripatak	Chiaravanont	Chearavanont	Sriworasat	Angkasith	Wongsuwan	Vimooktayan	Vittavasgarvej	Watcharananan	Boondoungprasert	Thammasartt, D.V.M.	Aroonratana	Chirakitcharn	Sangkanarubordee
Subsidiaries in Thailand																
1 Bangkok Produce Merchandising Plc.															✓	
2 Chester's Food Co., Ltd.												✓			✓	✓
3 CPF (Thailand) Plc.			✓								✓	✓		✓	✓	
4 CPF Trading Co., Ltd.												✓			✓	
5 CPF Training Center Co., Ltd.															✓	
6 CPF Restaurant and Food Chain Co., Ltd.												✓		✓	✓	✓
7 CPF Food and Beverage Co., Ltd.												✓		✓	✓	
8 CPF IT Center Co., Ltd.			✓									✓			✓	
9 CP Hilai Harbour Co., Ltd.																✓
10 C.P. Merchandising Co., Ltd.			✓								✓	✓			✓	
11 Dak Glabi Group Co., Ltd.												✓			✓	✓
12 CPF Food Research and Development Center Co., Ltd.												✓			✓	
13 International Pet Food Co., Ltd.												✓			✓	
Overseas Subsidiaries																
1 Bright Excel Investments Co., Ltd.			✓												✓	
2 Bellisio Foods, Inc.												✓				
3 Bellisio Investment, Inc.			✓												✓	
4 Bellisio Parent, Inc.												✓				
5 C.P. Cambodia Co., Ltd.			✓													
6 C.P. Laos Co., Ltd.			✓													
7 C.P. Pokphand Co., Ltd.	✓		✓		✓		✓		✓	✓	✓					
8 C.P. Vietnam Corporation			✓													
9 Charoen Pokphand (Taiwan) Investment Ltd.			✓												✓	
10 Charoen Pokphand Foods Canada Inc.												✓			✓	
11 Charoen Pokphand (USA), Inc.				✓												
12 Chia Tai Enterprises International Ltd.	✓															
13 Chozen Holdings Ltd.																✓
14 Chozen Noodle Trading Ltd.																✓
15 Coinaton Investments Ltd.			✓												✓	
16 CP Aqua Company Limited	✓		✓													
17 CP Chozen Ltd.																✓
18 CP Foods Capital Ltd.															✓	
19 CP Food Investment Ltd.	✓		✓													
20 CPF (INDIA) Private Ltd.			✓													
21 CPF Canada Holdings Corp.			✓												✓	
22 CPF Denmark A/S												✓			✓	
23 CPF Europe S.A.												✓			✓	
24 CPF Hong Kong Co., Ltd.															✓	

Company	Director and Executives															
	Mr. Soopakij	Mr. Chingchai	Mr. Adirek	Mr. Phongthep	Mr. Suphachai	Mr. Rungson	Prof. Dr. Pongsak	Pol. Gen. Phatcharavat	Mrs. Vatchari	Mr. Vinai	Mrs. Arunee	Mr. Prasit	Dr. Sujint	Mr. Siripong	Mr. Paisan	Mr. Sathit
	Chearavanont	Lohawatanakul	Sripatak	Chiaravanont	Chearavanont	Sriworasat	Angkasith	Wongsuwan	Vimooktayon	Vittavasgarvej	Watcharananan	Boondoungprasert	Thammasartt, D.V.M.	Aroonratana	Chirakitcharern	Sangkanarubordee
25 CPF Investment Ltd.		✓	✓								✓					
26 CPF Netherland B.V.															✓	
27 CPVN Ltd.			✓												✓	
28 CPV Food Co., Ltd.			✓													
29 Food Trac Ltd																
30 Forward Pass Ltd.			✓												✓	
31 FSI Parent Crop.												✓				
32 Frozen Specialties, Inc.												✓				
33 40 Subsidiaries of CPF UK companies															✓	
34 Giant Crown Investments Ltd.			✓												✓	
35 Homegrown Shrimp (USA), LLC.		✓									✓		✓			
36 JSC Poultry Parent Stock Production Woyskovitsy			✓											✓		
37 JSC Poultry Production Severnaya			✓											✓		
38 Modern State Investments Ltd.															✓	
39 New Splendid Holdings Ltd.			✓												✓	
40 Overhill Farms, Inc.												✓				
41 Paulsen Food GmbH												✓				
42 Tops Foods NV																
43 Wesbridge Food Group Ltd.												✓			✓	
44 Charoen Pokphand Foods Kenya Co., Ltd.			✓													
45 CPF Tanzania Ltd.			✓													

Company	Director and Executives															
	Mr. Soopakij	Mr. Chingchai	Mr. Adirek	Mr. Phongthep	Mr. Suphachai	Mr. Rungson	Prof. Dr. Pongsak	Pol. Gen. Phatcharavat	Mrs. Vatchari	Mr. Vinai	Mrs. Arunee	Mr. Prasit	Dr. Sujint	Mr. Siripong	Mr. Paisan	Mr. Sathit
	Chearavanont	Lohawatanakul	Sripatak	Chiaravanont	Chearavanont	Sriworasat	Angkasith	Wongsuwan	Vimooktayan	Vittavasgarvej	Watcharananan	Boondoungprasert	Thammasartt, D.V.M.	Aroonratana	Chirakitcharn	Sangkanarubordee
Associates, Joint Ventures and Other Investments																
1 CP All Plc.	✓		✓		✓			✓								
2 CP-Meiji Co., Ltd.			✓	✓								✓			✓	
3 C.P. Retail Holding Co., Ltd.	✓		✓													
4 Ross Breeder Siam Co., Ltd.	✓		✓		✓											
5 Siam Makro Plc.			✓		✓											
6 Siam Rivea Co., Ltd												✓				✓
7 Arbor Acres Thailand Co., Ltd.	✓		✓		✓										✓	
8 C.P. Aquaculture (India) Pte. Ltd.		✓														
9 Chia Tai Investment Ltd.	✓															
10 Hylife Group Holdings Ltd.			✓												✓	
Related Companies²																
1 Kasetphand Industry Co.,Ltd.				✓												
2 Charoen Pokphand Group Co.,Ltd.	✓	✓		✓	✓											
3 Charoen Pokphand Produce Co.,Ltd.				✓												
4 Charoen Pokphand Enterprise Co.,Ltd.				✓												
5 C.P. Trading Group Co.,Ltd.				✓												
6 C.P. Intertrade Co.,Ltd.		✓		✓												
7 True Corporation Plc.					✓											
8 True Move H Universal Communication Co.,Ltd.					✓											
9 Perfect Companion Group Co.,Ltd.				✓												
10 Freewill Solutions Co.,Ltd.					✓											
11 Advance Pharma Co.,Ltd.				✓												
12 Charoen Pokphand Trading (Hong Kong) Co., Ltd.	✓															
13 Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	✓															
14 CPQS Realty Development Co., Ltd.	✓															
15 Kinghill Ltd.	✓															
16 Perfect Companion (China) Co., Ltd.				✓												
17 Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	✓															

✓ = Director

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Means companies which may have conflict of interest with CPF and its subsidiaries and had related party transactions during 2020 or outstanding amount as of December 31, 2020



Charoen Pokphand Foods Public Company Limited

Attachment 2

Directors of Subsidiaries

Attachment 2 Directors of Subsidiaries¹ as of December 31, 2020

1. C.P. Pokphand Co., Ltd. ("CPP")

Name - Surname	Position
1. Mr. Soopakij Chearavanont	Chairman
2. Mr. Adirek Sripratak	Vice Chairman
3. Mr. Suphachai Chearavanont	Vice Chairman
4. Mr. Narong Chearavanont	Director
5. Mr. Bai Shanlin	Director
6. Mr. Sooksunt Jiumjaiswanglerg	Director
7. Mrs. Arunee Watcharananan	Director
8. Mr. Yu Jianping	Director
9. Mr. Meth Jiaravanont	Director
10. Mr. Yoichi Ikezoe	Director
11. Mr. Vinai Vittavasgarnevej	Independent Director
12. Mrs. Vatchari Vimooktayon	Independent Director
13. Mr. Cheng Yuk Wo	Independent Director
14. Professor Dr. Pongsak Angkasith	Independent Director
15. General Udomdej Sitabutr	Independent Director

2. CPF (Thailand) Plc.

Name - Surname	Position
1. Mr. Adirek Sripratak	Chairman
2. Mr. Prasit Boondoungprasert	Vice Chairman
3. Mr. Siripong Aroonratana	Director
4. Mrs. Phataneek Leksrisompong	Director
5. Mr. Somkuan Choowatanapakorn	Director
6. Mr. Sompop Mongkolpitaksuk	Director
7. Mrs. Arunee Watcharananan	Director
8. Mr. Voravit Janthanakul	Director
9. Mr. Paisan Chirakitchareon	Director
10. Mr. Sunpeera Ninkham	Director

¹ Subsidiaries means significant subsidiaries with revenues (consolidated or company only (as the case may be)) more than 10% of total income of the consolidated profit and loss statement of CPF for the year 2020. This excludes subsidiaries who already be consolidated in the consolidated financial statements of such significant subsidiary.



Charoen Pokphand Foods Public Company Limited

Attachment 3

Details of Head of Internal Audit and Head of Compliance

Details of Head of Internal Audit and Head of Compliance**Head of Internal Audit**

Name-Surname: Miss Wipawan Pramoonkwandee

Position: Executive Vice President – Internal Audit Office

Age: 53 years

Education: Master degree - Accounting
Bachelor degree - Accounting
Diploma in Accounting
Thammasat University

Certificate: Certified Public Accountant Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
Certified Internal Auditor The Institute of Internal Auditors
Certified Financial Services Auditor The Institute of Internal Auditors

Training/Seminar in 2020: Seminar - The Institute of Internal Auditors of Thailand (November 5, 2020)

5-Year Experience: Executive Vice President – Internal Audit Office (International Area)
Charoen Pokphand Foods Public Company Limited

Head of Compliance

Name-Surname: Mr. Sunpeera Ninkham

Position: Senior Vice President – Compliance Office

Age: 43 years

Education: Master Degree - Law
Bachelor Degree - Law
Thammasat University

Certificate: Certificate in Litigation Lawyer Legal Counsel Training Institute of Lawyers Council
Certificate of Continuing Professional Education - Compliance and Compliance Audit
The Institute of Internal Auditors of Thailand

Training/Seminar in 2020: Director Certification Program (DCP) No. 298/2020 (Sep.-Nov. 2020)
Thai Institute of Directors Association

5-Year Experience: Director
CPF (Thailand) Plc.
Bangkok Produce Plc.
CPF Trading Co., Ltd.
CPF Training Center Co., Ltd.
Dak Galbi Group Co., Ltd.

Responsibilities: Responsible for Corporate Compliance Office which is the central unit for supporting and collaborate with functional compliance to ensure that Charoen Pokphand Foods Plc. and its subsidiaries operate according to relevant laws and regulations through policies and determined practice framework. Compliance report shall be reported to the Audit Committee, Executive Committee and/or relevant executives.



Charoen Pokphand Foods Public Company Limited

Attachment 4

Report of the Board of Directors' Responsibility on the Financial Statements

Report of the Board of Directors' Responsibility on the Financial Statements

The Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as the financial information stated in the Company's Annual Report. These financial statements are prepared in accordance with Thai Accounting Standards and Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions and including generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, estimates and underlying assumptions are prudently made, and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and beneficial to shareholders and investors.

The Board of Directors has established and maintained an internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

The Audit Committee, whose members are independent directors, was designated by the Board to review the quality of the financial reporting and the effectiveness of internal control system and report the review result to the Board.

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2020.

Soopakij Chearavanont
(Mr. Soopakij Chearavanont)
Chairman of the Board



Charoen Pokphand Foods Public Company Limited

Attachment 5
Report of Sub-Committees

Report of the Audit Committee



Mr. Rungson Sriworasat

The Audit Committee of Charoen Pokphand Foods Public Company Limited consists of 4 independent directors including:

- | | |
|------------------------------------|----------------------------------|
| 1. Mr. Rungson Sriworasat | Chairman of the Audit Committee; |
| 2. Professor Dr. Pongsak Angkasith | Members of the Audit Committee; |
| 3. Mrs. Vatchari Vimooktayon | Members of the Audit Committee; |
| 4. Mr. Vinai Vittavasarnvej | Members of the Audit Committee; |

whereas Ms. Wipawan Pramoonkwamdee is acting as a Secretary of the Audit Committee.

During 2020, the Audit Committee had convened totally 10 meetings. Mr. Rungson Sriworasat, Professor Dr. Pongsak Angkasith and Mr. Vinai Vittavasarnvej participated in all 10 meetings whilst Mrs. Vatchari Vimooktayon participated in 9 meetings. In addition to regular meetings with the Internal Audit Office, the meetings were held with the management and senior executives of relevant departments as well as with the auditor without the presence of the management. The meeting minutes of every meeting were submitted to the Board of Directors for acknowledgment. Significant activities carried out by the Audit Committee during 2020 under the scope of duties and responsibilities can be summarized, as follows:

1. Financial reports review

The Audit Committee had quarterly and annually reviewed the Company's financial statements and the Company and its subsidiaries' consolidated financial statements, as well as disclosures in the financial statements and related transactions, all of which had been prepared in accordance with Thai financial reporting standards and the Securities and Exchange Commission's standards. The Audit Committee had participating in the meetings with the auditor and the executives being responsible for finance and account in every quarter. In the meetings, important issues were reviewed, for instance, accuracy of the financial reports, appropriateness of the accounting policy, key audit matters related to the Company and its subsidiaries, changes in accounting standards that might affect the Company's financial reports and independence of the auditor.

In addition, the Audit Committee had reviewed the audit plan and performance of the auditor, including participating in the meetings with the auditor without the presence of the Company's management in order to discuss the independence of the auditor in performing duties as well as suspected corrupt behaviour and significant flaws in the internal control system or violation of the laws relating to duties of directors and executives according to the Securities and Exchange Act B.E. 2559 (2016). In 2020, there was no significant comment given by the auditor and none of suspected behavior.

2. Internal control system review

The Audit Committee had placed importance on the internal control system by considering the audit reports which the Internal Audit Office had reviewed and assessed, to validate that the Company had in place an appropriate and adequate internal control system as well as compliances with the regulations and guidelines set by the Company, including information technology controls. Moreover, the Audit Committee had also monitored to ensure that the management made completed corrections and solved issues at root causes to prevent recurrence of incidents, especially high-risk issues or fraud risk factors.

Additionally, the Audit Committee had acknowledged the reports summarizing the complaints made through whistleblower channel in order to evaluate whether the complaints were related to fraudulent behaviour or corruption or not, as well as the management of complaints to ensure its appropriateness and transparency.

3. Internal audit supervision

The Audit Committee had reviewed the independence of the Internal Audit Department and approved the review of the internal audit charter, the structure of the Internal Audit Office and the annual audit plan. Furthermore, the Audit Committee had acknowledged the internal audit reports of the Company and its subsidiaries, including asking questions and giving advices and following up the corrective actions on significant issues in order to establish good corporate governance. The Audit Committee had also provided recommendations for the development of the Internal Audit Office's personnel, tools and technologies to ensure that the internal audit had been carried out efficiently and effectively.

In the Audit Committee Meeting; No. 8/2020, dated September 9, 2020, since Ms. Wipawan Pramoonkwamdee had experienced the internal audits of foreign subsidiaries, she was appointed to be the Head of the Company's Internal Audit Office, effective from September 9, 2020. Ms. Wipawan Pramoonkwamdee has been a certified internal auditor conferred by the Institute of Internal Auditors and a certified public accountant. She also understands the Company's business activities and operations; therefore, she has appropriate and adequate qualifications to perform such duty.

4. Risk management review

The Audit Committee had reviewed the adequacy and effectiveness of the Company's risk management policy and strategy by having regular meetings with the executives being responsible for the Company's risk management to acknowledge both external and internal risk factors, risk assessment results and guidelines for managing risks to be at the Company's risk appetite, including providing suggestions for improvements. The Audit Committee had also placed emphasis on emerging risks due to rapid changes such as cyber security, etc.

5. Compliance Review

The Audit Committee had reviewed the results of laws and regulations compliances through the meetings with the management of the Compliance Office and the departments being responsible for supervision and control. The Audit Committee had interrogated about various issues to ensure the efficiency and effectiveness of the departments in the control and monitoring important issues, including the improvements of work processes to comply with relevant rules.

6. Review of connected transactions or related transactions

The Audit Committee had reviewed and provided opinions on the connected transactions or the transactions with conflicts of interest in accordance with the regulations prior to presenting them to the Board of Directors and / or the shareholders according to the transaction scale, to ensure that the transactions were transparent and reasonable.

7. Considerations on the auditor appointment and the annual audit fee

The Audit Committee is responsible for selecting and nominating the auditor as well as considering the annual audit fee in order to present to the Board of Directors for approval and present at the Annual General Meeting of Shareholders. According to its resolution, KPMG Phoomchai Audit Limited was appointed to be the auditor of the Company and its subsidiaries, except in some countries. The appointment was made based on qualifications, knowledge, competence, and independence of the auditor, including the appropriateness of the audit fee.

8. Other issues

8.1. Reviewed the Charter of the Audit Committee to ensure its conformity with practices and related laws; and also conducted evaluation on the performance of the Board of Directors according to an overall assessment of the Board, to ensure that the Board had performed in accordance with the Good Practices prescribed by the Stock Exchange of Thailand;

- 8.2. Participated in the meetings with the executives and the team members of the Company and its subsidiaries to acknowledge guidelines for business management and operations, i.e., the operation of the Corporate Compliance Office, the promulgation of the Personal Data Protection Act B.E. 2562 (2019), the COVID-19 situation monitoring, its impacts and the Company's preventive measures, including the report on the incident when the Company was attacked by ransomware, whereas the Company had not been significantly affected due to its preventive measures, and guidelines for preventing future incidents.

The Audit Committee has performed its duties independently according to its responsibilities delegated by the Board in the determined timeframe with knowledge, abilities and due consideration and has given its opinions that the Company has provided proper measures on risk management, effective internal control system and environment /community conscious operation. Moreover, the Audit Committee has further given its opinions that the business operation with full abilities of the top management and all employees of the Company under the principles of good corporate governance would enable to generate satisfactory and sustainable growth of the Company; as a result, all stakeholders of the Company would be able to receive sustainable returns.

On behalf of the Audit Committee

Rungson Sriworasat

(Mr. Rungson Sriworasat)

Chairman of the Audit Committee

February 23, 2021

Report of the Corporate Governance Committee



Mr. Rungson Sriworasat

The Corporate Governance Committee of Charoen Pokphand Foods Public Company Limited consists of 3 directors, whereas 2 of them are independent directors and another 1 director is the Company's executive. Mr. Rungson Sriworasat; an independent director, is the Chairman of the Corporate Governance Committee.

The Board of Directors has appointed the Corporate Governance Committee to determine the corporate governance scope and policy, to propose good corporate governance practices and provide advices on the corporate governance, as well as to audit together with the Board of Directors and the management regarding the compliance with the Corporate Governance Policy, including reviewing the corporate governance practices in comparison with international practices and propose to the Board of Directors for continual improvement to ensure efficiency and effectiveness. The Corporate Governance Committee has performed duties as assigned by the Board of Directors completely and circumspectly and has always adhered to the guidelines of good corporate governance. During the year 2020, the Corporate Governance Committee had convened totally 2 meetings according to the schedule set in advance. All directors participated in every meeting and had creatively discussed and exchanged opinions for further improvements, developments and initiatives. Significant progresses regarding the corporate governance in 2020 is summarised with detail as follows:

The Corporate Governance Committee had conducted an evaluation on the compliance with the Corporate Governance Policy for 2019, as well as reviewed and revised the Corporate Governance Policy to be in alignment with changes in the capital markets and raised the corporate governance to the international level. In addition, the Company had improved and revised the Privacy Policy to be complied with the personal information protection law and the Business Ethics in the section: "Personal Information Protection" in accordance with the Personal Data Protection Act, B.E. 2562 (2019). Moreover, the Corporate Governance Committee had summarised subject matters regarding the guideline for good corporate governance by the Securities and Exchange Commission and presented them to the Board of Directors. Such matters included prevention of fraud through financial reporting mechanism and determination the Company's blackout period, whereas beneficial questions and comments had been thoroughly raised.

With regard to the anti-corruption, throughout 2020, the Company had placed emphasis on communicating this matter regularly and continuously to employees at all levels for acknowledging and recognising its importance and correct practices in order to avoid or reduce risks that might arise from non-compliance with the regulations, for instance, accepting gifts, entertainment and guidelines on whistleblowing, etc. The Company had also improved and revised its Anti-corruption training content to raise employee awareness and understanding as well as to ensure their proper conduct. Learning materials for both online and offline learning formats were prepared for on-site teaching through instructional media and public relations, including extending the trainings to foreign countries and translating the training content into local languages to enable employees in each country to learn, understand and apply knowledge in practice correctly.

Awards and Recognition in 2020

Being granted the awards reflects that the Company is committed to improving the good corporate governance. In 2020, the Company received the national and international awards as follow:

- An "Excellent" rating from Corporate Governance Report of Thai Listed Companies Project for 2020 organised by the Thai Institute of Directors Association (for five consecutive years);

- As one among 42 Thai listed companies, the Company received ASEAN Asset Class PLCs Award 2020 from ASEAN CG Scorecard project supported by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB). The awards were granted to ASEAN listed companies being recognised as the listed companies adhering to the corporate governance according to the corporate governance assessments of publicly listed companies in six ASEAN countries;
- The Company was selected to join the Dow Jones Sustainability Indices (DJSI) - Emerging Markets for six consecutive year;
- The Company was selected to join the FTSE4Good Emerging Index for four consecutive years; and
- Corporate Model of Moral Practices Award 2020 by Moral Promotion Centre (Public Organization) in collaboration with Thai Health Promotion Foundation and Volunteering Heart Foundation.

On behalf of the Corporate Governance Committee

Rungson Sriworasat

(Mr. Rungson Sriworasat)

Chairman of the Corporate Governance Committee

March 4, 2021

Report of the Remuneration and Nominating Committee



Pol. Gen. Phatcharavat
Wongsuwan

The Remuneration and Nominating Committee of Charoen Pokphand Foods Public Company Limited consists of 4 directors, whereas 2 of them are independent directors and 1 director who is not the Company's executive and another 1 director who is the Company's executive. Pol. Gen. Phatcharavat Wongsuwan; an independent director, is the Chairman of the Remuneration and Nominating Committee.

The Remuneration and Nominating Committee has performed duties as assigned by the Board of Directors circumspectly and carefully by taking into account maximum benefits of the Company, shareholders and all stakeholder groups. The Remuneration and Nominating Committee places emphasis on meeting attendance and provides opinions, including sharing useful information to ensure its efficient and effective performance. In 2020, The Remuneration and Nominating Committee had convened totally 3 meetings to consider important agendas which are summarised as follows:

1. Considering the individuals qualified to be nominated as directors replacing those who vacated office. During 2020, there were 2 cases of the vacant as follows:
 - 1.1 director vacated office by rotation, whereas the qualified individuals shall be proposed to the Board of Directors and to the 2020 Annual General Shareholders' Meeting. Shareholders were given opportunities to nominate qualified individuals for being election as directors for 3 months in advance, from September 30, 2019 - December 31, 2019. The rules, channels, and timing for submitting the matters are posted on the Company's website; and
 - 1.2 director vacated office by resignation, whereas the qualified individuals shall be proposed to the Board of Directors.
2. Considering the suitability of the directors' remuneration for the year 2020 in order to propose to the Board of Directors and to the 2020 Annual General Shareholders' Meeting, whereas such consideration was made according to the assigned duties, position levels in the industry and sizes of the companies as well as the Company's performance and their responsibilities.
3. Considering , reviewing and defining skills, knowledge, expertise, and experiences to be included in a composition of the Board of Directors (Board Skills Matrix) in accordance with the Company's business strategies of both short and long terms by realising the importance of driving the organisation towards its goals, as well as determining risk management expertise, management and human resources management as specialized knowledge for being included in the Board Skills Matrix in order to ensure the Company's preparedness to keep up with significant environmental changes and be able to manage risks in crises, including being beneficial to the Company's business operations.

In addition, the Remuneration and Nominating Committee had considered performance assessment results of the Board of Directors for the year 2020. According to the results, structure and characteristics of the Board were appropriate for the nature and size of the Company's revenue and enabled the Board to perform its overall responsibilities effectively. In each meeting, the Board of Directors placed importance on considering various agendas as well as monitoring performances of approved investment projects or matters related to good corporate governance such as risk management, internal control / audit and compliance with relevant rules, etc. During the meetings, the directors expressed

their opinions creatively and independently on the basis of accepting different opinions without any conflict, whether between the directors or the management.

On behalf of the Remuneration and Nominating Committee

Pol. Gen. Phatcharavat Wongsuwan

(Pol. Gen. Phatcharavat Wongsuwan)

Chairman of the Remuneration and Nominating Committee

February 17, 2021

Report of the Corporate Social Responsibility and Sustainable Development Committee



Professor Dr. Pongsak
Angkasith

By the appointment of the Board of Directors of Charoen Pokphand Foods Public Company Limited, the Corporate Social Responsibility and Sustainable Development Committee consists of 4 members, namely, Professor Dr. Pongsak Angkasith, Chairman of the CSR&SD Committee, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont and Pol.Gen. Phatcharavat Wongsuwan as committees. In 2020, the Corporate Social Responsibility and Sustainable Development Committee had convened totally 2 meetings.

Significant activities carried out by the Corporate Social Responsibility and Sustainable Development Committee during 2020 under the roles and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Assessed performance 2019 of the Corporate Social Responsibility and Sustainable Development Committee;
2. Validated and approved the Sustainability Report 2019;
3. Provided advices and followed up on progresses of corporate social responsibility and sustainable development implementations to ensure that they were in alignment with indices either country level or international level for the year 2020;
4. Reviewed directions, supported and followed up on performances according to sustainability strategy and goals 2020 under the three pillars: Food Security, Self-Sufficiency Society and Balance of Nature;
5. Promoted the corporate social responsibility and sustainable development activities that had taken parts in supporting the UN's Sustainable Development Goals (SDGs).
6. Supported and approved the development and planning for corporate sustainability strategy and goals 2030

With the commitment to continuous improvement and development, the Company has been selected as a member of Dow Jones Sustainability Indices (DJSI) Emerging Markets and listed in Thailand Sustainability Investment (THSI) for the sixth year in a row. This is the fourth year that the Company was also listed in FTSE4Good Emerging Index.

The Corporate Social Responsibility and Sustainable Development Committee shall adhere to management that contributes to economic value added and corporate shared value for society and environment, all of which shall support all sectors to move together from good to great and toward sustainability.

On behalf of the Corporate Social Responsibility
and Sustainable Development Committee

Pongsak Angkasith

(Professor Dr. Pongsak Angkasith)

Chairman of the Corporate Social Responsibility
and Sustainable Development Committee

January 25, 2021

Attachment 6

Corporate Governance Policy and CPF Code of Conduct

Please see Corporate Governance Policy and CPF Code of Conduct at
www.cpfworldwide.com/en/investors/report-56-1-2020/cgpolicy-coc

Attachment 7

Charters of Sub-Committees

Please see Charter of Sub-Committees at
www.cpfworldwide.com/en/investors/report-56-1-2020/chartersofsubcommittee