



Charoen Pokphand Foods Public Company Limited

Annual Report 2022 (Form 56-1 One Report)



PUT OUR HE[♥]RT INTO FOOD

*Food innovation
for better life and better world*



Message from Executives



“ The Company has made a commitment to **Science Based Targets initiative (SBTi)**, to reduce GHG emissions and **Net Zero by 2050** target sustainable ”

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



Sustainability Award
Silver Class 2022
S&P Global



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Charoen Pokphand Foods PCL. operates a fully integrated agro-industrial and food business with the goal of establishing food security to become the **“Kitchen of the World”** with sustainable growth. The Company and its joint investments have manufacturing base in 17 countries around the world, and exports from Thailand to over 40 countries. The Company is on a mission to develop and deliver highly nutritious and tasty products which satisfy consumers. Concurrently, we strive to maintain the balance of business success and the value delivered to all stakeholders in alignment with The ‘3-Benefit’ principles which aims to create prosperity for the country, local communities as well as the company and its people, under the foundation of good corporate governance.

Last year, the COVID-19 pandemic severely impacted the global economy, resulting in changes in consumer preferences and behaviors. Additionally, foreign conflicts, particularly in Ukraine and Russia, caused sharp increases in energy and raw material prices for animal feed, leading to inflation in many nations and increased interest rates. These factors presented challenges for the business, and as a result, the Company adopted policies to adjust to the shifting consumer preferences and remained cautious in making investments, as well as focus on effective cost management by increasing operating efficiency through various innovations and technologies in the manufacturing process, such as digital systems and blockchain technology.

Aside from the aforementioned factors, the livestock industry in many countries has also faced epidemics such as African Swine Fever (ASF) in the swine industry. During this time, the Company has implemented stringent biosecurity measures in our farms and operations to keep our animals safe which in turn deliver high-quality meat products for consumers.

In 2022, The Company recorded **revenue from sales totaling 614,197 million Baht**, representing growth from 2021 by 20%. Asset values were 926,987 million Baht, taxes paid to the state were 6,003 million Baht and net profit was 13,970 million Baht, or growth from 2021 by 7%.

The Company's Board of Directors resolved to propose to the 2022 Annual General Meeting of Shareholders to approve the payment of dividends for 2022 at a rate

of 0.75 Baht per share, comprising the interim dividend payment for shareholders on 14 September 2022 of 0.40 Baht per share, and an annual dividend payment proposed to be paid to shareholders on 25 May 2023 of 0.35 Baht per share.

The Company prioritizes economic growth alongside maintaining a balance with sustainable development, environmentally and socially, with good corporate governance. In 2022, the Company signed up for the Science Based Targets initiative (SBTi), which commits the Company to reduce GHG emissions to **Net Zero by 2050**. The Company has supported the reduction of coal energy usage and increased the adoption of renewable energy. Specifically, the Company ceased the use of coal energy at our facilities in Vietnam in June 2020 and completed the phase-out of coal energy at our facilities in Thailand in December 2022. Furthermore, the Company has worked with banks in many countries on programs to support suppliers and customers, by giving them access to the capital which will improve their liquidity during an economic slowdown.

On behalf of the Board of Directors, executives, and employees, we would like to extend our gratitude to all stakeholders for the continuous trust and support. We shall continue to drive business growth following our vision **"Kitchen of the World"** in order to strengthen food security, based on the foundation of good corporate governance and contribution to the society, community, and environment, as well as to achieve sustainable economic growth.



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.



Kitchen of the World

Corporate Strategic Direction

Sustainability

Sustainable Growth



Expand integrated
agro-industrial
and food business



Enhance capability
to become a global
company

Aiming for Excellent



Be a leader in quality
and food safety



Promote innovation
and efficiency
enhancement

Building Solid Foundation



Focus on people
development



Take responsibility
for society and
environment

Corporate Governance



Three Benefits to Sustainability
(for the Country, People and
the Company)



Adapt to Change



Speed and Quality



Simplification



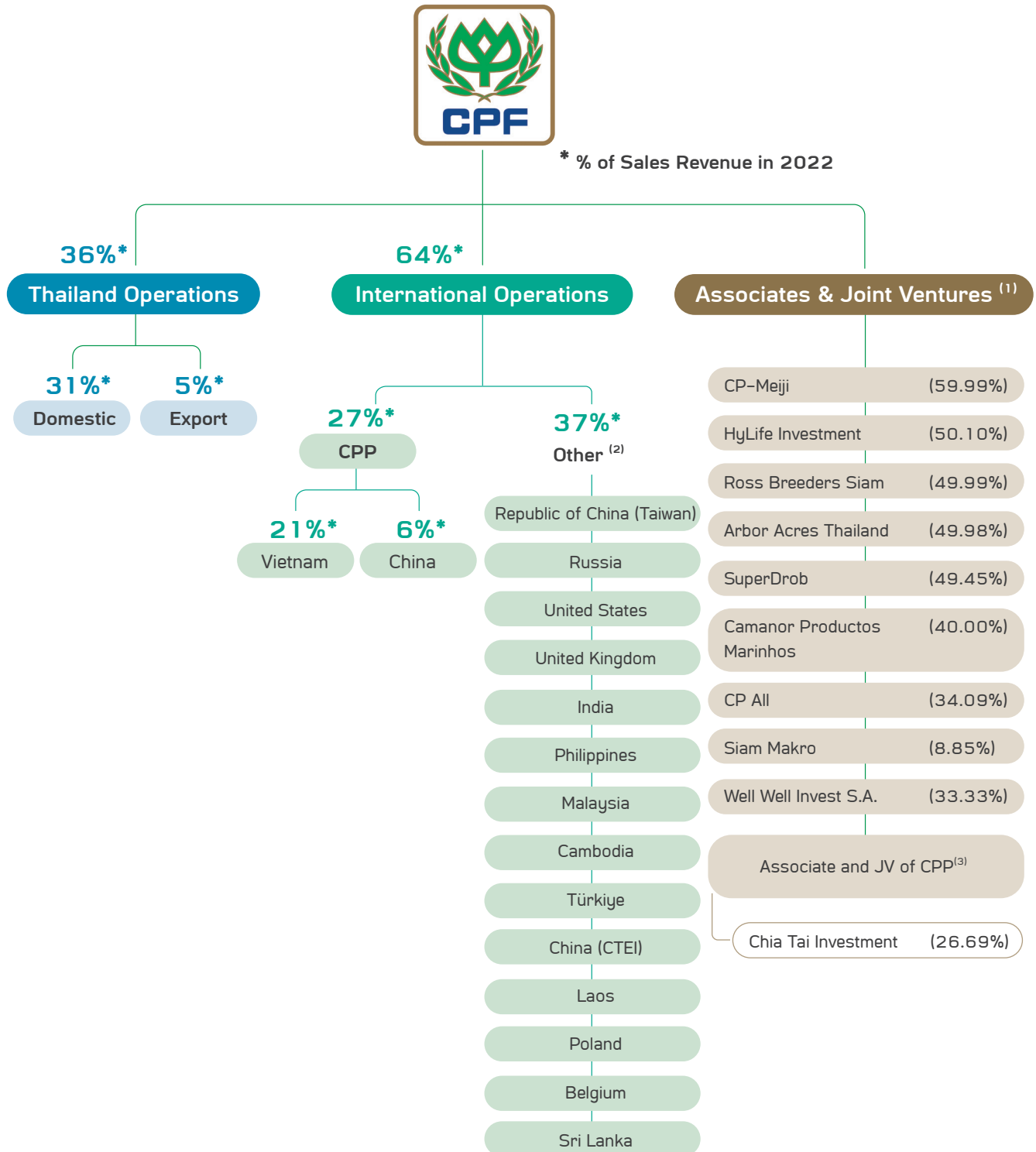
Integrity, Honesty
and Reciprocity



Innovativeness

CPF Operation Structure

as of December 31, 2022



Note :

(1) % of shareholding represent both direct and indirect holding. Presenting only major associates and joint ventures.

(2) List of other operation areas.

(3) Group of associate and joint venture of CPP. Details are available in Note to the Financial Statements for the year 2022.

CPF Worldwide

The Company*, associates,
and joint ventures operate in
agro-industrial and food business
in **17** countries

The Company* operates in **15** countries
Associates and joint ventures operate in **2** countries

Export to

>40 countries **5** continents

Cater to

>4,000 million people



North America
2 countries



Europe
5 countries




South America
1 country



Asia
9 countries

Detail of the Company's* operation in each country

	Feed	Farm			Food
		 Swine	 Poultry	 Aquaculture	
Asia					
Thailand	●	●	●	●	●
China	●	●	●	●	●
Republic of China (Taiwan)	●	●	●	●	●
Vietnam	●	●	●	●	●
India	●	●	●	●	●
Cambodia	●	●	●	●	●
Philippines	●	●	●	●	●
Malaysia	●	●	●	●	●
Laos	●	●	●	●	●
Sri Lanka	●	●	●	●	●
Europe					
United Kingdom	●	●	●	●	●
Russia	●	●	●	●	●
Türkiye	●	●	●	●	●
Belgium	●	●	●	●	●
Poland	●	●	●	●	●
North America					
United States	●	●	●	●	●

Note : The Company* refers to Charoen Pokphand Foods Public Company Limited ("CPF") and its subsidiaries.

Business at a Glance

Scope of business operations consisted of 2 main categories

Thailand Operations

Operates an integrated agro-industrial and food business for domestic distribution in Thailand, as well as export to more than 40 countries worldwide.



International Operations

Operates in integrated agro-industrial and food business across 16 countries outside Thailand namely, Vietnam, China as well as Republic of China (Taiwan), Russia, India, United States, United Kingdom, Philippines, Cambodia, Malaysia, Türkiye, Laos, Poland, Belgium, Sri Lanka, Canada, and Brazil.

The Company operates in the agro-industrial and integrated food business, from the production of animal feed to the manufacturing of Ready-to-Eat products. The businesses are categorized into 3 product categories.

Feed Business

Production and distribution of animal feed as well as pet snacks.

Committed to developing innovation in feed production processes as well as pet snacks, while prioritizing environmental conservation, and taking responsibility for surrounding communities. In addition, raw material are sourced locally to support local agricultural production and implement the traceability system of raw materials, fostering transparency and trust from stakeholders.



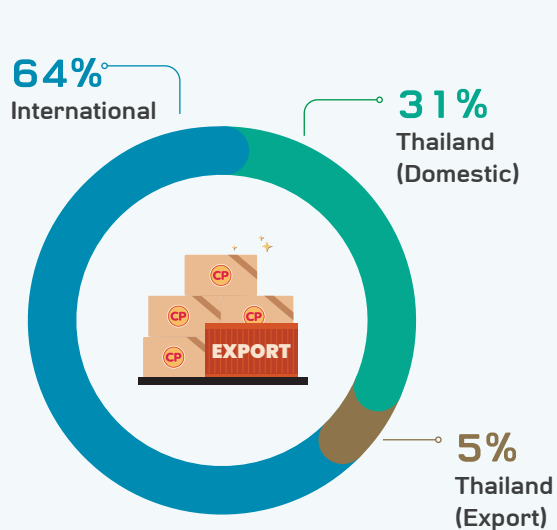
Farm and Processing Business

Animal breeding, farming, and primary processing as well as distribution of meat.

The Company leverages modern technology and extensive field experience to foster competitive and environmentally friendly practices. Throughout the entire farm process well-being of animals are prioritized based on international animal welfare principles, in order to produce products of the highest quality and safety that meet international safety standards.



Sales Revenue Breakdown by Operations



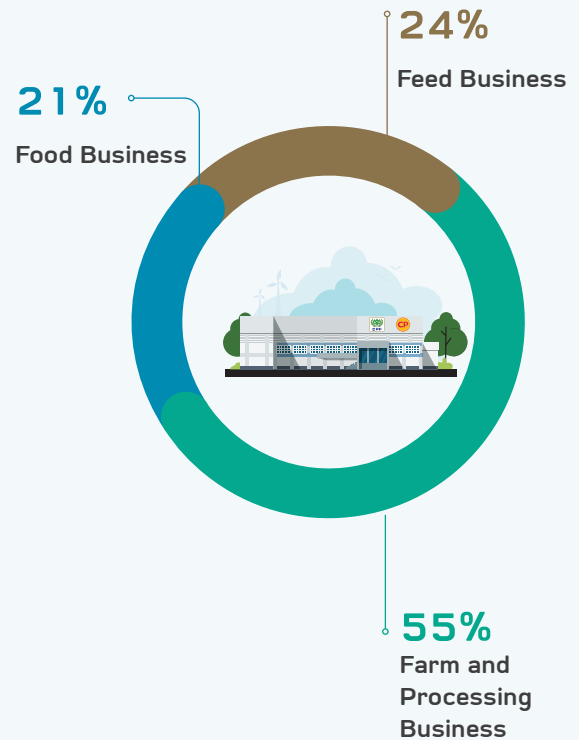
Food Business

Produces and distributes a variety of processed meat products, including semi-cooked, cooked or Ready-to-Eat. The Company also operate food distribution channels and restaurants.

Focus on enhancing the value of processed food products, ensuring high nutritional quality in Ready-to-Eat meals, and offering competitive pricing for healthy food products. The Company also prioritize modern and eco-friendly production innovations and maintain a comprehensive traceability system throughout the entire production process.



Sales Revenue Breakdown by Products



Distribution Channels

The Company distributes products through various channels to ensure consumer convenience access, including wholesale stores, retail stores, Chester's restaurants, Five Stars product point of sales, food courts, and etc.



Management Structure

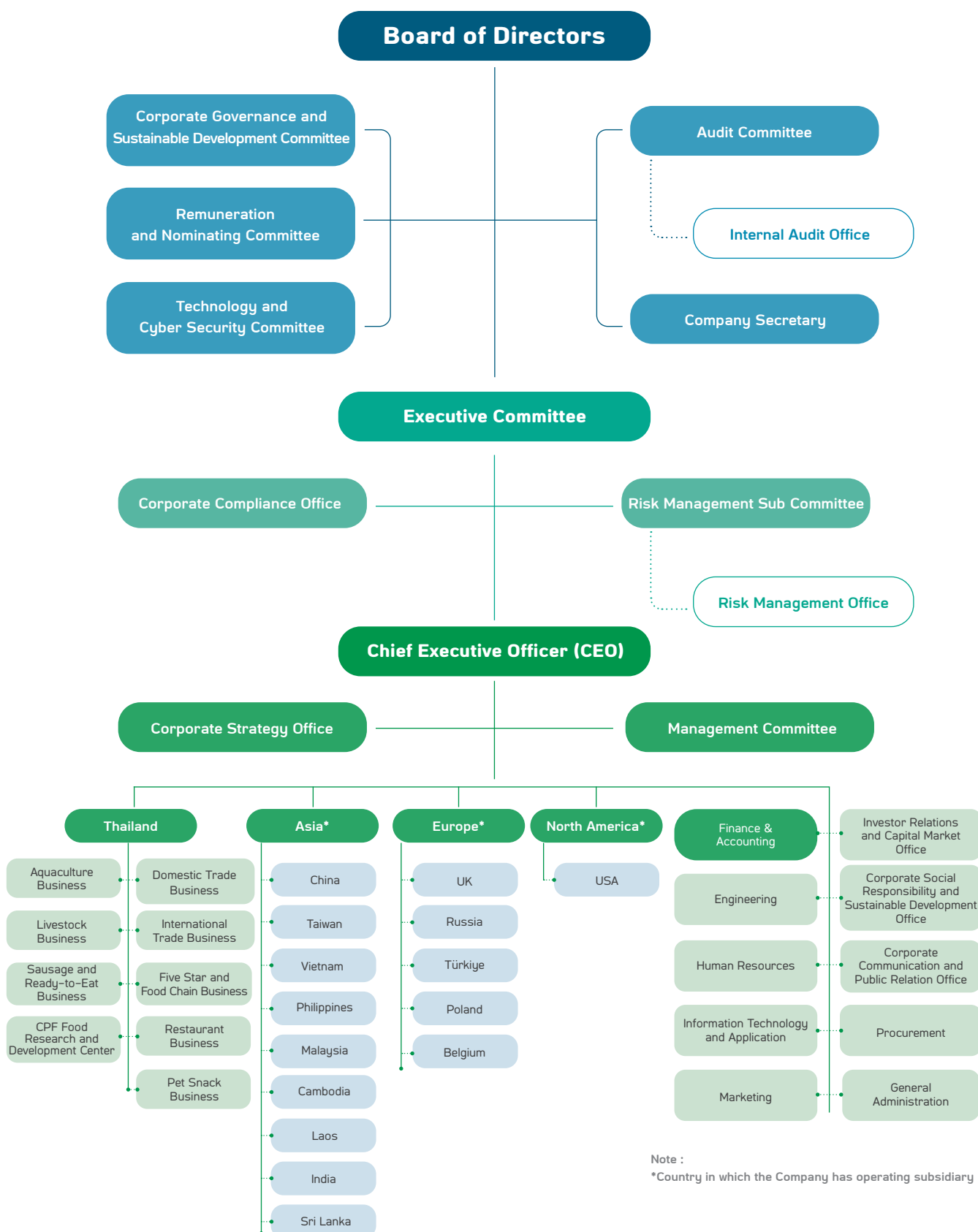


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Definition : "The Company" mentioned in Part 1-2 refers to Charoen Pokphand Foods Plc. ("CPF") and its subsidiaries (companies which CPF has direct and indirect control)

In case this Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Annual Report (Form 56-1 One Report). The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in this Annual Report (Form 56-1 One Report).



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

Charoen Pokphand Foods Public Company Limited or “CPF” and its subsidiaries (the “Company”¹⁾) operate integrated agro-industrial and food businesses **under the vision of "Kitchen of the World."** The Company has production bases, investments and joint ventures in 17 countries², including Thailand, Vietnam, China including Republic of China (Taiwan), the UK, the US, Russia, Cambodia, India, the Philippines, Türkiye, Malaysia, Laos, Sri Lanka, Belgium, Poland, and joint ventures in Brazil and Canada. CPF exports products to over 50 countries worldwide, **with the aim of creating food security** for consumers globally. With a focus on innovation, the Company aims to provide quality and nutritious food while also ensuring responsible marketing and a safe and efficient production process that prioritizes food safety and a positive consumer experience.

The Company's operations prioritize having business structures in strategic locations with focus on efficient resource management, community-friendly and environmentally-sustainable production processes, and supply chain management. The Company incorporates modern technology that complies to international standards in its operations and maintains a traceability system based on good corporate governance and sustainable development. The Company values equality for all stakeholders and follows human rights principles, and implements comprehensive risk management to achieve sustainable competitiveness and generate appropriate returns for shareholders.

The Board of Directors reviews and approves the Company's strategy annually to drive the vision and mission towards the declared goal. The Company's strategy focuses on **three main areas: "Sustainable Growth, striving for excellence, and building a solid foundation"** as well as emphasizes creating a corporate culture based on the CPF Way values and **the Sufficiency Economy Philosophy and the Philosophy of 3 Benefits for Sustainability**. The objective is to generate benefits for the country, the people, and the Company through good corporate governance, regulatory compliance, comprehensive internal control, risk management, and social responsibility. The Company supports the United Nations Sustainable Development Goals and the 10 principles of the United Nations Convention Guidelines **with the objective to create balance in terms of economic, social, and environmental business operations**.

The Company is confident in the growth potential of the agricultural, food industries, and long term consumption growth in countries across the world and has devised a strategy for international expansion. The goal is to leverage our expertise in modern agro-industrial business and make investments in various countries, while enhancing the value proposition of the business through a focus on nutrition for consumers. The Company adapts to evolving consumer preferences by broadening distribution channels and implementing cost-effective innovations. Employee development and well-being are of paramount importance, as evidenced by the Company's commitment to strengthen organizational bonds, enhancing skills, and supporting workforce and their families.



¹ The “Company” refers to Charoen Pokphand Foods Public Company Limited (“CPF”) and its subsidiaries. (companies controlled directly and/or indirectly by CPF)

² Ranked by sales revenue

**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 THB 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, 2022, CPF had paid-up capital of THB 8,611,242,385, comprising of 8,611,242,385 shares, and its market capitalization was THB 213,559 million.

Key milestones in 2022

- The share distribution to become a public company in Vietnam

In April 2022, C.P. Vietnam Corporation (“CPV”), a subsidiary which CPF indirectly held 82.30% and engaging in integrated agro-industrial and food business in Vietnam, has processed the application to become a public company by distribution of ordinary shares to minorities. In case that the approval is granted by relevant authorities with the completeness of share distribution, CPV will consequently apply for the listing on the Ho Chi Minh Stock Exchange of Vietnam.

- Share repurchase program for financial management purpose

In December 2022, CPF Board of Directors passed the resolution to approve the share repurchase program for financial management purpose in the amount not exceeding THB 5,000 million. The number of ordinary shares to be repurchased is not exceeding 200 million shares (par value of Baht 1 per share); equal to 2.32% of total issued shares of CPF. In this regard, CPF repurchased its shares through the main board of the Stock Exchange of Thailand during December 19, 2022 to June 18, 2023.

Additionally, in January 2023, Norfolk Foods (Private) Limited and CPF (India) Private Limited, a subsidiary which CPF indirectly held 80.00% and 100.00, respectively, registered the establishment of CP Norfolk (India) Private Limited (“CP Norfolk (India)”) in India to operate processed food business. Upon the completion of the transaction, it becomes an indirect subsidiary of CPF.

1.1.3 Use of proceeds from debentures offering

Due to the proceeds received from debentures offering and issuance by CPF until December 31, 2022. Currently, CPF already used all proceeds according to the purpose of each debenture.

Purpose of the Use of Proceeds	Amount (THB)	Approximate Duration	Details
1. Debt repayment	8,874,800,000	Within 2023	Repayment of bills of exchange and/or debentures and/or loans from financial institutions who are not underwriters
2. Working capital	3,000,000,000	Within 2023	-

**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

The Company operates in a vertical integrated agro-industrial and food business which include the production of animal feed, animal breeding, animal farming, basic food processing, production of ready-to-eat meals, as well as trading of meat and food products. The Company also runs a restaurant and pet food business, balancing economic, social, and environmental considerations for all stakeholders.

The Company places a high emphasis on safe and efficient production processes, managed in accordance with international standards using innovative automation technology. The work processes, planning, production, and data analysis are supported by ready-to-use digital systems, resulting in high-quality, safe, and nutritious products that meet consumer preference in various countries. Additionally, the entire supplychain is traceable, and animal welfare and biosecurity are strictly maintained to ensure good animal hygiene. Food is delivered to consumers responsibly through the development and expansion of distribution channels for convenient accesibility.

The Company believes that balancing business growth and minimizing environmental and social impacts creates sustainable value to the Company as well as creates shared value for all stakeholders. To achieve this, the Company adopts an approach of maximizing resource efficiency, such as deriving value from by-products, managing waste from production to create value in the supply chain. The Company transitioned to renewable energy sources, such as biogas and solar power. The Company has also ceased the use of coal to reduce greenhouse gas emissions, manages water usage efficiently and implements water recycling, reduces single-use plastic, and protects and restores crucial national resources such as mangrove and watershed forests.

The Company prioritizes social responsibility and is committed to upholding the human rights of all stakeholders, in line with the principles of the United Nations Universal Declaration of Human Rights. The Company treats employees fairly and equitably, based on their rights, values, and abilities, and invests in human resource development with a focus on relevant expertise. The Company aims to enhance the quality of life for its personnel by providing compensation that is commensurate with local economic and social conditions. Additionally, the Company has established processes to promote human rights principles in its supply chain, working with business partners and communities to address issues such as child labor, forced labor, and the rights of migrant workers. The Company is also committed to environmental sustainability and supporting small businesses and farmers with knowledge, promoting economic stability and sustainable growth for the surrounding community.

**1.2.1 Revenue structure**

	2020		2021		2022	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
1. Thailand Operations	180,570,258	31%	189,190,805	37%	224,355,723	37%
1.1 Domestic	151,428,701	26%	160,049,890	31%	191,206,117	31%
<i>Feed</i>	38,562,921	7%	43,441,164	8%	49,387,730	8%
<i>Farm and processing</i>	89,951,209	15%	91,892,648	18%	112,986,827	18%
<i>Food</i>	22,914,571	4%	24,716,078	5%	28,831,560	5%
1.2 Export	29,141,557	5%	29,140,915	6%	33,149,606	6%
<i>Feed</i>	59,048	0%	103,627	0%	61,453	0%
<i>Farm and processing</i>	8,505,913	2%	6,951,684	2%	9,370,162	2%
<i>Food</i>	20,576,596	3%	22,085,604	4%	23,717,991	4%
2. International Operations	409,142,664	69%	323,513,642	63%	389,841,245	63%
2.1 China (CPP)	157,687,684	27%	30,456,643	6%	36,795,225	6%
<i>Feed</i>	117,430,022	20%	0	0%	0	0%
<i>Farm and processing</i>	30,072,495	5%	20,050,398	4%	25,357,430	4%
<i>Food</i>	10,185,167	2%	10,406,245	2%	11,437,795	2%
2.2 Vietnam	107,792,686	18%	111,110,839	22%	124,634,299	20%
<i>Feed</i>	28,043,137	5%	33,065,703	6%	37,874,713	6%
<i>Farm and processing</i>	75,180,736	12%	72,208,997	15%	78,999,539	13%
<i>Food</i>	4,568,813	1%	5,836,139	1%	7,760,047	1%
2.3 Other countries	143,662,294	24%	181,946,160	35%	228,411,721	37%
<i>Feed</i>	34,095,590	6%	50,461,217	10%	58,797,037	10%
<i>Farm and processing</i>	70,980,636	12%	86,342,663	17%	112,972,422	18%
<i>Food</i>	38,586,068	6%	45,142,280	8%	56,642,262	9%
Total Revenue from Sale of Goods	589,712,922	100%	512,704,447	100%	614,196,968	100%
Other Income	18,072,312		16,255,230		9,232,351	
Total Income	607,785,234		528,959,677		623,429,319	
Share of Profits of Associates and Joint Ventures	9,253,600		4,166,804		3,745,244	
Total Income and Share of Profits of Associates and Joint Ventures	617,038,834		533,126,481		627,174,563	

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 a vertically integrated agri-industrial and food business, encompassing the production of animal feed, breeding, animal farming, primary meat processing. Furthermore, the Company produce food and ready-to-eat meals, as well as engaging in the trading of primary processed meat and food products as well as operating restaurant business. These business operations provide control of efficiency throughout the value chain, leading to continuous innovative production. The Company's three main product categories consisted of : **1) Feed**, namely the production and distribution of animal feed, **2) Farm and Processing**, namely animals breeding, farming, primary meat processing as well as distribution of primary processed meat products, and **3) Food**, namely the production and distribution of processed food both semi-cooked and cooked, and ready-to-eat food, including restaurant businesses.

(1) Products and business innovation**(1.1) Feed business**

The Company operates animal feed businesses in 10 countries around the world, which are Thailand, Vietnam, ROC (Taiwan), Russia, India, Cambodia, Türkiye, Philippines, Malaysia, Laos, as well as investments in Canada.

Animal feed is the starting point of the meat production chain, and the production of quality food. The Company has continuously developed innovations in the production process for animal feed, with the result that the Company can

6 Key Success Factors of Feed Business



produce quality animal feed to international standards with competitive costs, which can be sold at suitable prices. Animal feed operations have the “6 Success Factors” which are 1) quality raw material, 2) Suitable formulations with sufficient nutrition for animal of different species and age 3) Hygienic facilities with modern production process of international standard, 4) Top quality products with traceability, 5) Competitive costs, enabling distribution to farmers at an appropriate price, and 6) Sharing of advance know-how and knowledge base with farmers.

Since animal feed is the key variable that directly affect the health and nutrition of animal, the Company has prioritized on innovation in the manufacture of animal feed and developing animal nutritional technology. Animal feed formulations are constantly adjusted to provide appropriate nutrition to animal. This includes the absorption of nutrients and associated improvements to the animal digestive system resulting in efficient growth and strong health. This also helped to reduce odors and excess nitrogen in animal waste. The current range of core products are swine feed, chicken feed, duck feed and shrimp feed. Animal feed comes in the form of both additives and complete food regimes, in powders and pellets, which are manufactured and distributed in the major countries the Company does business. Moreover, the Company utilized by-products from meat production to produce pet treats to maximize the usage of resources.

For the animal feed manufacturing process, the Company gives priority to: (1) selecting appropriate location and layout of factory suitable for the surrounding resources, topography and impacts on neighbouring communities, (2) selecting formulations for manufacture which have the nutrition appropriate for the need of each species, breed and age. (3) selecting raw materials which meet nutritional standards and that are traceable. (4) using modern technology in production and quality control, including data management and digital systems (5) apply product shipment in large drums to replace plastic packaging, reducing impacts on the environment. This includes transportation systems controlled with a GPS system throughout the route, and finally (6) sales system primarily considering the customer with the provision of after-sales service.

Factory Location and Design: The Company considers a manufacturing plant in a suitable location with access to adequate water supply and supporting facilities, far from communities and in livestock farming areas to prevent contamination, under the principles of occupational safety. The layout of the factory is designed on green principles, with consideration on impacts to the environment and neighbouring communities, for instance, by reducing dust and odors which may arise in the manufacturing process, by installing air freshener systems with ozone, wet scrubbers, cyclone systems to collect dust, and changing structural materials at key problem points. Waste from production are also reduced by recycling to generate power for usage within the plant, solar energy are also utilized and presently, Thailand feed business has ceased the use of coal in all factories. Water resource are also efficiently managed which including monitoring and inspecting the quality of treated water by labs registered with the Department of Industrial Works to control the treated water to be equal or better than the pertinent legal standard before it is released back to the environment. Location selection are also selected to avoid destruction of local biodiversity, as well as implementing programs to maintain balance in the greater ecosystem.

Feed Formulation: The Company prioritizes animal feed quality to align with the nutritional needs of each kind of animal at each stage of their development, to ensure that they get adequate nutrition to thrive. The Company selects animal feed formulations for optimal animal development with complete nutrition, which includes the use of probiotics and



prebiotics to aid digestion and boost the animals' health. The formulation is free of red meat accelerators, antibiotics, as well as other contaminant, delivering genuine health benefits to consumers. The Company has also developed animal feed which has the properties of grow tender and tasty meat as well as feed that reduce environmental impacts by reducing the amount of nitrogen release from animal waste.

Raw material selection: The key raw materials for the production of animal feed are maize, soya, fishmeal and rice bran, plus vitamins and minerals. Quality raw materials are the key starting point for the production of good animal feed. The Company uses quality analysis and testing systems from labs but that have been certified to manufacturing standards concerned with sourcing raw materials legally, and production responsible to both the environment and the workforce, such as ISO/IEC 17025. By policy, the Company primarily sources raw materials domestically. In the case that domestic production is not sufficient for production due to inadequate production volumes or substandard quality, there are imports from overseas. In 2022, the Thai business imported 26% of its total raw material requirement for the production of animal feed.

The Company prioritizes responsible sourcing and supports agriculture that is responsible to the environment with no deforestation, and reducing carbon emissions from plantation, and no agricultural burning. The Company is ready to help increase farmer's potential to maize for animal feed, by providing knowledge, suitable planting plans enabling the harvest of quality produce, and reducing losses from climate change as well as reduce the risk of raw material prices rising from climate change and other unforeseen events. Cooperation has been forged between the relevant company departments such as Procurement, Production and Technical departments to analyze and plan for this risk appropriately. This comprises a system to collect raw materials efficiently enabling longer storage of the materials, plans for purchasing with futures contracts, and procuring substitute raw materials by using locally available raw materials to adapt in an integrated manner. This increases the diversity of raw materials and also supports production of local farmers in items such as husked rice, broken rice and rice bran, which can be ingredients in the production of animal feed, and for promoting the use of domestically-sourced raw materials.

Manufacturing and quality control: The Company utilized automated production and control systems, digital technology and robotics, particularly areas that may impact the health and safety of employees and to reduce the risk of contamination in manufacturing process. Artificial intelligence is also deployed to increase productivity and reduce waste from the production process. This ensures animal feed has quality inline with international standards. The Company has also been certified with carbon footprint labelling for every product for Thailand operation. However, businesses in each country have requested certification and standards from independent third party agencies on the basis of specifications of the Company, its customers, as well as the laws of that country.

Packaging and transportation: The Company has implemented automated systems in the packing process to reduce the impact on the health of employees. Animal feed is packaged into large Bulk Feed Tanks instead of sacks made from plastic. Transportation is managed with the focus on delivery is on schedule with customer demand, maintaining quality and applying technology to control transportation such as with GPS systems to monitor transportation. There is a future plan to upgrade the transportation fleet to cut greenhouse gas emissions.

Sales and after sales service: The Company is aware that the farmers' success is linked to the Company's feed business, which leads to shared sustainability of both parties. The Company therefore prioritizes sharing knowledge and understanding of animal farming and proper use of animal feed. The Company provides technical services in animal production, appropriate farm management and conducting health tests on livestock for the farmers. These are all key factors for the animals' good health and a good feed conversion rate. To distribute animal feed, the Company sells directly from the factory to farmers and through distribution agents. The Company has expanded sales channels for animal feed online for greater convenience, which can better reach farmers in remote areas and enables the efficient compilation of a customer database. The animal feed market continues to grow in line with increased demand for meat, and the expansion of animal farming in increasingly modern industrial systems.

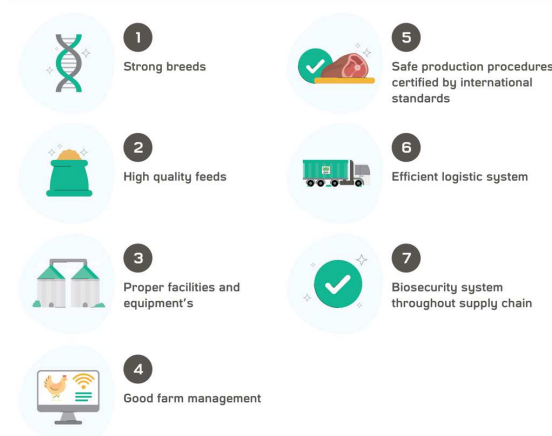
(1.2) Farm and processing business

The Company's farm and processing business comprises breeding, farming and primary processing. There are **seven key factors for success** in this business which are: 1) Strong breeds, 2) High quality feeds, 3) Proper facilities and equipment's, 4) good farm management, 5) safe production procedure certified by international standards, 6) efficient logistic system, and 7) Biosecurity system throughout supply chain.

The core products of the farm and processing business are animal breeds, live animals, primary processed meat (cut meat) and layer eggs. The core animals species are pigs, broiler chickens, layer chickens, ducks and shrimp. The Company operate farm and processing businesses in 15 countries: Thailand, China, including the ROC (Taiwan), Vietnam, the USA, Russia, India, Cambodia, Türkiye, Philippines, Malaysia, Laos, Sri Lanka and Poland, with investments in Brazil and Canada. Each country has differing business operations depending on market opportunities and the suitability of each country.

The Company gives significance to every step, from selecting locations, designing farms, having good breed, farming under the principles of animal welfare, processing that meets safety standards, packaging which is environmentally friendly, distribution and presentation of product to customers honestly with correct and complete information, to efficient transportation under good biosecurity standards.

7 Key Success Factors of the Farm and Processing Business



Location and farm designs: the Company considers locations for its farms on the basis of **capabilities to manage risk, green farming, animal welfare and biosecurity management**. This starts from the requirement for the location to be situated in areas appropriate for animal farming, with adequate infrastructure, in a close system in compliance with the standards certified by the Livestock Department. The transportation systems must consider the prevention of diseases by designating farming areas and external areas. Control measures in place for entry to the farming area require a process of disinfection. As well as good farm design, the Company has strict regulations concerning farm personnel and visitors. This is especially the case during epidemics of African Swine Fever and COVID-19. Designing farms and systems to raise livestock is different for each kind of animal, depending on the behaviours of each animal and its various stages of development, with systems for raising livestock summarized as follows:

- Livestock:** The system ensures proper ventilation in the animal housing structures by utilizing the **evaporative Cooling System** to maintain suitable conditions for the animals at all times. The process is controlled by advanced computer systems and digital technology. Feeding and water distribution is automated, and the animals' health is monitored by digital systems. Measures are also in place to prevent the entry of disease vectors. The housing provides ample opportunities for the animals to engage in natural behaviors and the lighting is regulated to support the animals' development and minimize stress. This focus on animal welfare results in optimum growth and healthier animals,
- Aquaculture:** The **Probiotic Farming systems** are environmentally friendly and operate under strict animal welfare principles. The Recirculation Aquaculture System helps to prevent epidemics and conserves natural resources by recirculating water. The Company utilizes the CPF Combine system for shrimp aquaculture, which is constantly being developed to improve the shrimp farming operations. The farm management uses advanced biosafety systems and digital technology, including real-time monitoring and control of the shrimp pond and hatching of shrimp larvae. This results in a streamlined and fully managed experience for the end consumer.

The Company has developed the format of **CPF Greenfarm** which is friendly to communities and the environment, and shares know-how through small scale occupational programs to raise pigs. Inside the farm, resources are managed efficiently, with waste collection systems, water treatment systems, environment within the premise are managed under the principles of biodiversity to maintain natural balances, and reduce impacts on surrounding environments and communities. This includes **using farm waste to produce biomass and biogas** used as alternative fuels to generate electricity for use within the farm. This reduces impacts on the environment from both waste and air pollution and making more efficient use of resources for greater benefit under the concept of the circular economy and also reduces carbon emissions and has good effects on the environment and local communities. This is coupled with **air-scrubbing systems for pig farms** to reduce unpleasant odors efficiently. Also, **solar energy has been used to generate power** for the farm to economize on energy. The Company's partner farms have also been encouraged to use this system on a broader basis. For Thailand operation, water by product from the biogas system are inline with legal standards and also contains the essential minerals to promote the vegetation growth. The by product is delivered to farmers around the farm through the program, "liquid fertilizer for the community". This program can reduce expenses and increase incomes for farmers while reducing impact on the environment. The Company is well aware of the severe drought situation, which is becoming more frequent and intense. The Company is committed to developing its process of **managing water sustainably throughout the manufacturing chain** under the three Rs principle of Reduce, Recycle and Reuse. Furthermore, the Company has collaborated with government agencies and neighboring communities to monitor the quantity and quality of water in vital water sources, with the aim of ensuring the water sources are suitable for community usage and sufficient to maintain biodiversity by preserving habitats for animals and aquatic plants. Additionally, the Company has established a water reservoir for usage during times of drought, which can be shared with neighboring communities. The Company is also proactive in addressing community concerns regarding water usage, providing personnel support for education and raising awareness on water resource management, as well as devising a plan to mitigate the risk of water scarcity. These efforts not only minimize business risks for both the Company and its partners, but also help to reduce the potential impact on neighboring communities during present and future droughts.

Breed Development and Breeding The Company has **carefully selected and developed breed stocks that are suited to the local environmental conditions and consumer demands in each market it operates**. The breeding program is **based on genetic science** and follows a systematic three-generation breeding process from the original breed to great grand parents breeder based on science to enhance the breed and produce healthy and disease-resistant animals that are highly productive with quality meat. The Company continuously evaluates changing market demands and selects breed stocks from various countries to ensure their suitability for each unique environment.

Animal Farming The Company has been continually developing technology for livestock farming and a good production standard has been achieved according to the standards of each country as well as international standards, environment and labor management standards, all of which is coupled with modern farming techniques.

The Company has developed an internal farming process on the principles of attention to **the five freedoms of animals**, together with efficient use of space. **The process is free of growth accelerating hormones**. The animal farming research team have developed methods under the principle of understanding each kind of animal's behavior, combined with healthy breeds and nutritious animal feed appropriate for each animal at each age, while modern molecular biology can be used to analyze and improve the feeding and husbandry process as appropriate for each breed of animal. This is for the animal to live a life which is free of distress. It has **the freedom to express its natural behaviour**.

The 5 Freedoms Principle



The Company adheres to its “One Health” global-level policy considering the health of people, animals and the environment holistically, for safe meat products and the process of creating food innovations to support future consumer demand. This emphasizes healthy nutrition and environmental conservation throughout the supply chain, both in Thailand and overseas, in products such as Cheeva Pork and Benja Chicken. The Company therefore prioritizes animal health first and foremost. Probiotics are used to promote health and immunity for livestock. Preventative and medical care are provided when livestock are sick or injured, by veterinarians who supervised the farm. Moreover, health inspections are provided and antibiotics are used responsibly if injury or sickness arises, which is closely supervised and controlled by veterinarians in accordance to the principles of animal welfare under the principles of “responsible use of anti-microbial medication”, and the Company has a “Policy for the Responsible use of Anti-microbial medication in Livestock” as follows:

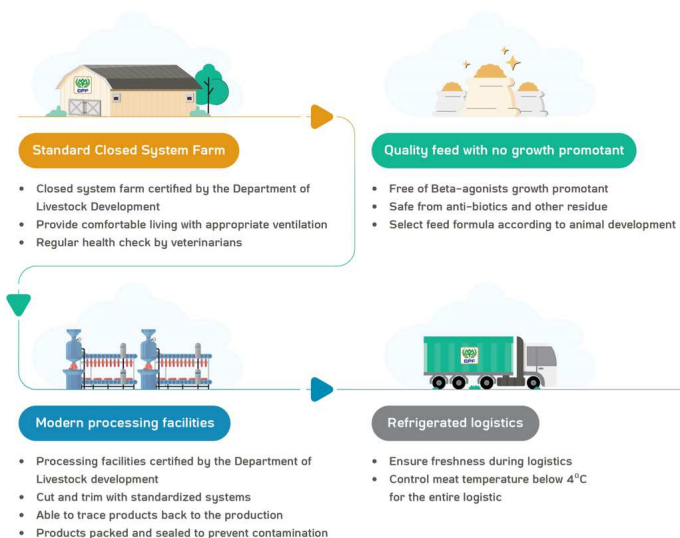
1. Medications must be used under the close supervision of veterinarians and only for essential treatment.
2. Avoid using antibiotics for the purpose of accelerating growth.
3. Working with world-class experts to find new and better ways to maintain animal health according to the principles of animal welfare, to reduce the need for anti-microbial medications.

There is a parallel development of upgrading to the “Smart Farm” with the deployment of innovation, electronic technology and artificial intelligence such as the Internet of Things and artificial intelligence to maximize efficiency in the farming process, while reducing labour and reducing contact between animals to limit the risks of infection with disease meeting biosecurity standards. It is a new method prioritized by farmers, as it leads to increased production and greater efficiency of the production process. It is sustainable development of the agricultural sector. For livestock husbandry, Smart Farm not only brings agriculture up to date, but enables accurate planning of work to meet the needs of producing safe food for consumers.

The Company promotes livestock farming through a program of contract farming for small farmers. The Company selects farmers with the space to raise livestock with their own equipment, and the Company procures breed stock, animal feed and other essentials while also transferring farm management knowledge and technology which meet Company’s standards. This enables farmers to choose the correct animal feed according to the breed and type of animal, and supporting more efficient production with suitable costs, to produce the quality required by consumers. This results in production and incomes from livestock increasing. It is thus a program creating jobs and occupations, and upgrading quality of life for farmers, who are business partners growing together with the Company sustainably.

Primary Processing The Company complies with animal welfare standards in basic primary processing of meat and processing plants which have been certified by the Livestock Department. This starts from an appropriate distance for the location between the animal raising area and the processing plant. The vehicles used for their transportation are ensured

Source of Pork



prevent stress to the animals with specific animal density to avoid overcrowding. On arrival at the processing plant, the transport must park in an area with the appropriate temperature for the animals before the butchering process occurs and the meat is cut and packed. The Company controls the production of basic processing to comply with manufacturing standards and work safety for employees. The business in each country will request standards certification from a third party independent agency in compliance with the stipulations of the Company, customers and the laws of that country.

Packaging The Company prioritized on **environment friendly packaging**. This includes designing food packaging which allow recycling (Design for Recycling) under the principles of the circular economy. For instance, packaging made from monoplastics, which are homogenous plastic which is easy to recycle and therefore reduce landfill. Packaging has also been made from recycled plastic with the use of alternative materials such as bioplastics called polylactic acids (PLA), which are made from plants and therefore biodegradable, without compromise on the quality of food storage.

Sales In the farm and processing business, the Company's products are breed stock, live animals, cuts of meat, eggs and byproducts of the farming process. Distribution channels for breed stock and live animals are mostly selling at the farm gate. Meat, eggs and byproducts of the farming process have domestic distribution channels which include selling at traditional markets and modern trade retail stores, through transportation in a cool chain of controlled temperature at 4 degrees Celsius. The Company also sells its meat cut products in frozen form, both domestically and for export.

The Company has also developed products which meet consumer demand for more healthy products, including the following:

- **Cheeva Pork** are pigs developed from special breed stock, with special feed and farming methods to obtain tender pork meat with high levels of omega-3, to meet consumer demand.
- **Kurobuta Pork** is a foreign breed of pig which has been bred thrive in the Thai environment. Its outstanding feature is that it is more tender than regular pork in general, since Kurobuta Pork has 30% more fat marbling than regular pork, but with lower cholesterol level.
- **Benja Chicken** is a new chicken farming process with chicken fed on specially selected brown rice to build up muscle tissue and give it a delicious aroma. The meat are more moist in muscle tissue than regular chickens. It is cage-free and raised without additives, which is safe and in demand from health conscious consumers
- **CP Pacific Shrimp**: These are shrimp which have been raised with the "3 cleans" – a clean pond, clean water and clean shrimp larvae. The environment of the pond is adjusted to be cleaner for the shrimp's comfort, well fed with a good growth rate. Probiotics are used to increase farming efficiency, and reduce the risk of disease without using antibiotics, while being friendly to the environment,
- **CP Pacific Soft Shell Shrimp**: Soft shell shrimp are prawns which have molted naturally and hence their soft shells which can be eaten whole. They are an innovation providing greater convenience to consumers to consume soft shell shrimps without the need to remove their shells as well as receiving extra calcium.
- **Cage-Free Chicken Eggs**: These are eggs obtained from specially bred hens from the USA which are free range chickens in a closed system that provide the hens freedom on the principles of animal welfare, and raised without hormones or antibiotics. This process yields high quality eggs in demand from consumers.
- **Omega 3 Eggs**: Chemical free eggs fortified with Omega 3 which is good for the brain and the nervous system, as well as choline and vitamin B2 which assist the healthy functioning of the nervous system. The laying hens are raised in a 100% disease-free closed system with no hormones or antibiotics used.
- **Red Tilapia**: First raised from stock obtained from Chitralada Palace, breeds of fish have now been improved by selecting tilapia breed stock from all over the world and breeding in a form of natural selection to yield fish with attributes desired by consumers. Its properties are also suited for its farming environment in Thailand, yielding Nile Tilapia which can thrive in salt water. Breed development will continue and promote occupations of both freshwater and saltwater farms for farmers.

The farm business grew in line with increased demand from the growing population as well as consumer's ability to better access quality meat at an affordable price. The Company is a leader livestock farming with key success factors by possessing healthy breed stock that is highly productive resistant to disease. In addition to the efficient farming process with good feed conversion rate, in shorter farming period, with good protection from disease.

(1.3) Food business

The Company prioritized on research and development of **quality food in with good nutritional value and taste. Produce with process that ensure safety throughout the production chain.** To deliver products that promote health at an accessible price, with a wide variety of products which address the demand of consumers' worldwide with a wide array of distribution channels for the consumers convenience.

The Company adds value to its production chain of primary processed meat by creating food products and ready-to-eat products. With world class innovation in production process which is compliant with environmentally-friendly standards high-quality food are produced fresh and clean from the factory to consumers. Delivered via transportation system operating under strict occupational health and safety rules, with responsible labeling and packaging.

The Company has developed food product and ready-to-eat meal that is hygienic and healthy that meet the demands of health conscious consumers which includes the following products

- **Sausages:** Made from quality raw materials with modern, automated, continuous production process of international-standard which is traceable throughout the processes.
- **Ready-to-eat food products:** made from quality raw materials through standard modern prsoduction process which is clean, safe
- **Semi-cooked products, or Ready-to-cook products:** Made from quality meat such as meat marinated in sauce, brine or other seasonings in a ready-to-cook state. It is produced from modern processing plants certified to international standards for fresh, clean, safe and traceable products.
- **Plant-based meat:** This caters to consumers who are vegetarian and flexitarian. Made entirely from plants, the product contains equivalent amounts of protein to meat, while also having high fiber. Many dishes have been put together such as bologna, chicken nuggets, and basil stir fry with chopped pieces.

The Company's food products are sold under the CP brand and other brands owned by the Company, as well as customer's brands. Customers have a wide range of channels to conveniently access products, including 1) Traditional trade such as wet markets, 2) modern trade retail such as convenience stores, supermarkets, hypermarkets and wholesale distribution centers, 3) Food services to customers such as the restaurants of hotels, restaurants in general, fast food outlets, food courts and catering firms, 4) the Company's own product distribution channels, including restaurants, and food courts. The Company also exports food products through its network of distribution agents in various countries and importers as well as engaged in the trading of food products. The Company currently has food manufacturing base in 15 countries namely: Thailand, China including the ROC (Taiwan), Vietnam, the United Kingdom, the United States, India, Cambodia, Türkiye, Philippines, Malaysia, Laos, Sri Lanka, Belgium and Poland.

Raw material procurement: The Company's food products utilized the Company's meat products as key material for production. The Company believes that good food comes from quality raw materials, the Company therefore prioritizes the source and quality of raw materials that must come from clear and traceable sources. Produce from lawful land that is not illegal reclaimed forest area with traceable attributes that prevent impacts to the ecosystem and biodiversity. The Company also work closely with farmers to create shared value via programs that support agricultural produce as ingredients from local farmers. Furthermore, sustainable agriculture knowledge is shared with the focus on maintaining ecosystem balances, and good yield that is adequate for farmers and consumers as well as and self-reliance. Labour and human rights are respected throughout the supply chain, to promote sustainable incomes for farmers and their families.

Manufacturing: The Company prioritizes the implementation of quality and safety measures throughout the entire manufacturing process. It is dedicated to researching and developing innovative solutions to enhance the efficiency of the manufacturing process, while ensuring that the end-product is both safe and of high quality for consumers. The implementation of **automated and robotic systems** has been introduced to increase production efficiency, along with work processes that prioritize the safety of personnel. The utilization of **digital traceability systems** ensures a seamless flow of data, enabling traceability of products from the source of raw materials, throughout the food production process, and up until it reaches various distribution channels. The Company is committed to adhering to national and international standards in the development of its manufacturing processes.



Business and manufacturing plants in each country are responsible to request certification from external independent agencies as appropriate, according to the stipulations of the Company and that of the customers as well as the laws of that country.

The Company places a strong emphasis on quality and safety in its food products, in order to promote good health and align with customer demand. It has a continuous pipeline of food innovation, and has established the **CPF Food Research and Development Center Company Limited** as a hub for driving the food business with a focus on research and development for different age groups and food product segments, with a priority on health conscious products.

This includes the development of products to accommodate changes in the global food industry. The Company also has a prototype factory, which serves as a space for high-tech experimentation with production processes, allowing for greater opportunities, more precise tailoring of products to market needs, and faster operation. The CPF Food Research and Development Center is staffed by a team of specialists and experts who work together to create food products with desirable taste, appropriate nutrition, and production processes and packaging designs that prioritize safety and environmental sustainability. Additionally, the Company has established a **Food Laboratory** in Thailand, covering both livestock and aquaculture, as well as ready to eat meals. The laboratory conducts both testing and benchmarking according to international standards, to ensure the quality of food products before they reach consumers. The services offered by the Food Laboratory

include: 1) Testing, which encompasses chemical testing, microbial testing, physical testing, and other sensory testing, along with the collection of random samples and monitoring throughout the value chain prior to distribution to consumers; 2) Benchmarking, which involves a process of comparative testing using scientific equipment both in the laboratory and in the production process, for accuracy and precision in real-time use.

The Laboratory has been certified for quality management in its microbiological and chemical testing of human and pet food samples under the **ISO/IEC 17025 standard**. The use of modern tools and technology enables traceability throughout the supply chain, contributing to customer satisfaction with product standards. The Laboratory also has a robust sample management process in place, utilizing the Smart iLab system, which provides rapid, accurate, and credible reporting of testing and benchmarking results. The assessment of food quality includes both physical means and the five senses evaluating the general appearance, smell, aroma, taste, and touch of the product. The Laboratory utilizes the **Sensory Online** system, a computer-based communication tool, to streamline operations and reduce the possibility of errors in data recording. This system allows for comprehensive resolution of issues in the manufacturing process.

Packaging The Company has established a department dedicated to researching and developing packaging that effectively protects food, preserves its nutritional value for longer period, and minimizes its impact on the environment. The product labeling provides clear information regarding nutritional value and Guideline Daily Amounts. The Company is committed to sustainable packaging practices, including 1) the utilization of substitute materials from sustainably managed

"Quality and Safety" throughout the production process is the key to good health			
The fully integrated business allows the Company to exercise absolute quality control and assurance throughout the production process. The Company obtained various international standards as well as those required for different customers from third-party accreditation organization, all of which are applied in production of feeds, farming, and food businesses in conjunction with compliance with laws, rules, and regulations of each country in which the Company has business operations.			
	Feed Business	Farm and Processing Business	Food Business
Production Standards	<ul style="list-style-type: none"> • GMP • HACCP • ISO 9001 • ISO 22000 • ISO/IEC 17025 • GMP+ B1 B2 B3 B4 • FAMI-QS • RWA • ALO • Global GAP • BAP • Marin Trust • AI Compartment • CPF Food Standard • PS 7818:2018 	<ul style="list-style-type: none"> • GAP • GMP • GHPs • HACCP • ISO 9001 • ISO 22000 • Halal Standard • Global GAP • CoC Dept. of Fisheries • BAP • FMD Free • AI Compartment • BRC • QS • RWA • ALO • Genesis GAP/ Lloyd's Register Poultry Schem • CPF Food Standard • PS 7818:2018 	<ul style="list-style-type: none"> • GMP • GHPs • HACCP • ISO 9001 • Halal Standard • BRC • QS • ALO • RSPO • BAP • ASC • CPF Food Standard • PS 7818:2018
Environment Standards	<ul style="list-style-type: none"> • ISO 14001 	<ul style="list-style-type: none"> • CPF SHE&En Standard 	
Occupational Safety Standard	<ul style="list-style-type: none"> • Good Labour Practice (GLP) • TLS 8001-2010 	<ul style="list-style-type: none"> • ISO45001 • CPF SHE&En Standard 	

Note:
Policies and guidelines of the Company are in compliance with the above standards. In this regard, the operation in each country will decide on application of standard certification as deemed appropriate based on the country's laws as well as requirements of the Company and customers.

sources, 2) support the reuse of packaging or repurposing used packaging to generate energy, 3) increasing the proportion of recycled materials in packaging without compromising packaging quality, 4) and prioritizing reusable packaging over single-use packaging in production or transportation process as appropriate with priority for food safety.

To further reduce its impact on the environment, the Company uses bioplastic Polylactic Acid (PLA) derived from plants for packaging fresh frozen pork and chicken products. Additionally, the Company has implemented the use of mono-material plastics, making the packaging 100% recyclable. The Company is also committed to using recycled materials in packaging, including PET egg boxes made of 80% recycled plastic, in order to increase the proportion of reusable packaging. Furthermore, the Company supports the use of recycled materials throughout its supply chain and is reducing plastic usage in every line of business. The Company's restaurants, such as Chester's Grill, use melamine plates, stainless steel cutlery, and glass cups, with no single-use plastic in any of its over 200 nationwide outlets.

Distribution channels The Company has a variety of distribution channels for consumers to conveniently access food as follows:

- Modern trade retail, including hypermarkets, supermarkets and convenience stores
- HoReCa (Hotels, Restaurants and Catering)
- Traditional Markets and distributors
- Restaurants and food outlets
- The Company's own sales channels, which include the following businesses:
 - **Five-Star:** A franchise business offering a range of products such as grilled chicken, fried chicken, chicken rice, noodle, shrimp wonton, ready meals, sausages and the Hi Pork restaurants that serves pork menus.
 - **Chester's:** a fast food restaurant operated by the Company in form of franchise business which includes restaurants operated by the Company and franchisees
 - **CP Food World:** A food court service in Thailand that operate in hospitals, educational institutions and offices, composed of the Company's restaurants and those of external partners with a focus on variety at affordable prices, cleanliness, and sanitary standards.
 - **Great Harbour:** A buffet restaurant operated in Thailand with a wide variety and good quality at reasonable prices for consumers.
 - **Chickita:** A fast-food business that serves fresh and tasty chicken in a modern atmosphere suitable to urban consumers. Currently Chickita operates in Vietnam.

The food industry is undergoing continuous transformation, with a high degree of competition. The growth of urban populations and shifts in lifestyles have led to a demand for quick and convenient food options that still meet quality and health standards. Manufacturers must innovate and create products that align with these evolving consumer needs. Effective consumer outreach is crucial for success in the food industry, making it imperative for operators to prioritize strategies that provide close proximity to consumers and effectively address their demands.

Frameworks to manage innovation

Amidst the rapidly changing economy, environment, and emergence of new world events, global society and consumer preferences have undergone rapid transformations. To maintain competitiveness and enhance organizational value, it is crucial that the Company prioritizes innovation. The Company is encouraged to work efficiently and be flexible in adapting to changing circumstances, all while delivering sustainable performance. The following objectives have been established to drive innovation and position the Company as the "Kitchen of the World":

1. Innovative organization

Innovation is part of the Company's values or the CPF Way which is innovativeness. Therefore, the Company is focused on creating a "culture of innovation," by supporting every employee to innovate and create inventive programs that can be applied to the Company that may lead to the development of new products and services. The three key components are **the work ambient, personnel, and innovation management standards**. All business unit must engage with the development of



innovation, focussed on 5 main areas: (1) Innovations that enable efficiency, (2) Innovations that create value, (3) Innovations in health and hygiene, (4) Innovations in business formats to generate growth and (5) Innovations for sustainability. All of these create capabilities that provide the Company an overall competitive edge, and maintain the balance with the environment and social responsibilities. Innovation includes cooperation and joint development that synergize the Company's potential with the business partners.

The Company prioritized on building a working environment that foster creative thinking and the courage to start something new. **Innovation Contest** called the "CPF CEO Award" are established on an annual basis. Employees at every level throughout the Company have the opportunity to showcase their abilities, meanwhile providing the Company valuable feedback about employees' opinions towards work processes through their ideas for innovation in the contest. Innovations are divided into 3 levels on three concepts:

i1 **Improvement** – Improving existing work to be in consistently good condition.

i2 **Invention** – New inventions and developments to increase working efficiency.

i3 **Innovation** – New devices and methods for the benefit of business.

The Company has introduced the innovation standard ISO 56002 as a guideline for promoting the Innovation Organization. Development under the 3i concept and performance assessment (iScore) promotes learning among personnel to put things into practice, and the acquisition of skills to develop the innovation. The Company has prepared a management structure for innovation throughout the Company through the Committee of Innovation for Efficiency, which is making efforts in two directions as follows:

1. Top Down programs from the Committee of Innovation for Efficiency in 6 sectors: Agri Tech, Bio Tech, Food Tech, Sustain Tech, Operation Tech, and Information Tech
2. Bottom Up programs from the CPF Innovation Bureau. There is also management program for young personnel to provide opportunities to do new things outside of traditional frameworks

Moreover, the Company sees the potential of "TRIZ" or Theory of Inventive Problem¹³ and adopt its usage for staff from every department to become innovator based on TRIZ principles. In 2022, the Company totalled 1,150 TRIZ Innovators with 14,214 innovations, and 408 patent applications have been submitted. In addition, the Company has been certified for innovation management system ISO56002 by the ISO Certification Institute (MASCI) in the shrimp hatchery business. Comprehensive Aquaculture Business Line on December 27, 2022.

2. Build innovation networks that connects to world class ecosystem

The Company has built a network of innovation through the compilation of the Company's learning, expertise and innovation. This includes forming collaborations to develop innovation between companies under the CP Group, universities, startups, and leading global tech companies. **In cooperation with educational institutions**, the Company has partnered with 42 Bangkok, the first Thai institution to teach computer programming, under the operation of King Mongkut's University of Technology Ladkrabang. The partners conducted a Virtual Hackathon, a brainstorming exercise of innovation to overcome challenges. There is also **Proveg Asia and other leading global companies** supporting young researchers in ASEAN to innovate following global trends with the "Asean Food Innovation Challenge 2021" In this, the Company acts as a coach and organized workshops for qualified teams, to present projects under the Company's guidelines that focused on "Plant-based Innovation".

3. Promoting the potential of Talented individuals

The Company has implemented a policy that provides its employees with opportunities to study innovation through seminars and training programs organized by esteemed partners both domestically and abroad. Additionally, there are internal training programs and advanced studies at renowned universities, including internal courses in Design Thinking to foster innovation ideas among employees. The acquired knowledge and innovations are systematically documented in a

¹³ A principle 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.

body of knowledge through **Knowledge-Based Management** and a manual has been created to effectively transfer the experience to future generations.

Knowledge Management aims to establish a learning society that becomes an Innovation Organization. It operates in three key areas: **The Knowledge Management Process** aspect begins with the formation of a committee to determine the body of knowledge, establish operational plans and indicators. The content is then gathered, categorized into Fact, Flow, Case Study, Best Practices, and technical papers. Accessibility systems are established, knowledge is updated, and innovation usage is monitored. For **People participation**, there has been collaboration with experts, relevant employees, and the Knowledge Management team to compile information for submission to management, and the content is continuously updated. The role of the **Knowledge Platform** is to provide access to body of knowledge via SAP, the CPF Connect app, and online learning through the ImRU system.

4. Innovation to drive the business



The Company has implemented both product development innovations that align with consumer satisfaction, as well as workplace innovations aimed at enhancing efficiency, streamlining procedures, promoting the well-being of employees, and reducing manufacturing costs. Additionally, there is a focus on being socially responsible and considering the environment. These measures promote maximal efficiency within the Company's operations and contribute to its overall operating results. Some examples of technology and innovation from 2022 include:

- **Paddy rice as substitute raw material to increase local farmers' income**

In response to rising raw material costs, the Company has utilized paddy rice as a substitute raw material. Furthermore, the Company has collaborated with Charoen Pokphand Seed Co., Ltd. to research and develop new rice varieties, namely "Benjanil" and "Benjamook", which are high in antioxidants and provide higher protein and energy levels compared to brown rice and riceberry rice, equivalent to that of corn, wheat, and barley. Additionally, the Company's research team has worked with experts to develop enzymes that enhance the digestion efficiency of rice in animal feed that in turn improved nutrient absorption by livestock. Additionally the application of rice as substitute raw material helps generate incomes for local farmers

- **Probiotic in animal feed to promote health**

To ensure the natural growth and promote health in livestock, it is important to maintain their immunity. Probiotics play a crucial role in maintaining a healthy gut, therefore the Company has collaborated with leading global institutions to introduce a Probiotics-Fed innovation in animal feed. The probiotics are rigorously selected and blended into the feed to promote healthy digestive system to be disease resistance, and promote growth in the animals naturally.

- **Integrated ASF management in swine**

The Swine Farm Biosecurity System is designed to effectively prevent disease outbreaks adhering to the CPF swine farm standards, the system involves raising pigs in a **closed environment**, which protects against potential disease vectors such as rats, birds, and insects. Additionally, **all raw materials used on the farm**, such as feed, water, and others, must be **fully traceable**, and there must be **stringent control over all vehicles entering and exiting the farm**. All vehicles and employees must undergo a **disinfection process** to eliminate the risk of disease transmission. A

separate delivery point has also been established to ensure the safety of the pigs at the farm. The Company has implemented a Zero ASF policy by upgrading pig farming to achieve 100% biosecurity. This policy applies to both farmers in the pig-farming program and contract farmers who must comply with the Biosecurity System.

- **Water production and management system**

The Company recognizes the growing severity and frequency of droughts and their impact on the agricultural operations, which are heavily reliant on water resources. To address this issue as well as reduce production costs, the Company has established a water production system in areas close to natural water sources and away from community sources. The system generated water that meets the standards of tap water with enhance quality for usage within the Company's production process. Furthermore, the Company has installed an automatic water control system with a command center for supervision and a continuous quality monitoring system (Online Monitoring) before the water is pumped into the factory. Additionally, the surplus water production capacity can be utilized to produce tap water for sharing with surrounding communities.

- **Wastewater management technology**

The Company has devised a method for treating high organic content wastewater generated from the production process. The wastewater is treated to produces biogas, which is then converted into renewable energy for usage within the factory. The treated wastewater meets the standards set by the Department of Industrial Works and is subsequently discharged into public water sources. The treatment plant employs a **high-precision membrane filtration** which is an automatic, world-class and modern wastewater recycle technology. This results in treated water that have qualities similar to that of tap water, which can then be recirculated within the factory for non-food related purposes.

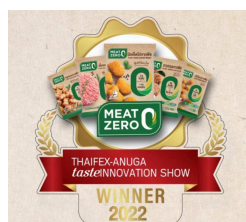


- **Innovation in meat cutting that creates value.**

The Company is constantly develop products that add value to its by-products, and the Broiler business is one prime example. The Company has employed meat cutting technology to create cuts that meet consumer demand, such as the CP chicken rib, which is made from chicken backs meat provided in special cuts, and Harami, which uses chicken meat from the peritoneum which is suitable for Japanese-style cooking.

- **Plant-based protein**

The CPF Food Research and Development Center team has collaborated with leading plant-based meat companies to invent and develop the innovative technology "PLANT-TEC". This technology is used to produce alternative protein products from plants that taste like meat, catering to health-conscious consumers who wish to reduce their meat consumption. The production process of the plant base product has low environmental impact that promotes sustainability.



**Innovation research and development costs**

In 2022, the Company's expenditure on research and development of technology and innovation totalled THB 2,195 Million, or 0.36% of total sales.

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 Major Products in 2022 and Outlooks in 2023****Broiler** (Source: USDA - October 12, 2022)

In 2022, worldwide production of chicken meat was 100.9 million tons, a small increase on 2021's figure of 100.5 million tons. The biggest producing countries remained the USA (20.8 million tons), followed by Brazil (14.4 million tons), China (14.3 million tons), the EU (10.9 million tons) and Russia (4.8 million tons) in that order. Thailand's production of broilers expanded slightly with a number of new entrants to the market. In 2022 Thailand produced 3.27 million tons of chicken meat, a 1.5% increase on 2021's figure of 3.22 million tons.

In 2023, global forecasts are for chicken meat production of 102.7 million tons, a 2% increase. Many big producers excluding China will be able to grow, and Brazil in particular. Thailand's production is projected to increase 3% to 3.36 million tons.

As for the main exporters of chicken meat in 2022, this was Brazil (4.62 million tons), followed by the United States (3.27 million tons), and the European Union (1.75 million tons), Thailand is the world's fourth largest chicken meat exporter with export volumes of 0.97 million tons, down 6.4% in 2021 due to labor shortages and impacts of the COVID-19 pandemic.

In 2023 it is forecast that Thailand's chicken meat exports will grow slightly to 1.00 million tons, an increase of 3.6% on the previous year. The key positive factors are consumer demand which is gradually recovering with the assistance of national re-opening policies, and standards certification for Thailand's chicken export factories. Despite increased raw materials costs, trends of demand for chicken meat consumption are set to increase as consumers turn to cheaper meat protein alternatives. Growth in Brazil is driven by both domestic and overseas demand.

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

Worldwide production of pork in 2022 is forecast at 110 million tons, with an increase of 1% to 111.0 million tons expected in 2023, as production in China revives. China's pork production is projected to increase 2% as businesses recover from the impacts of African Swine Fever (ASF). High animal feed costs in China are expected to reduce the incentive to raise pigs of excessive weight.

The USA, Brazil and Mexico are projected to expand production rather than decrease. As for other big producers in the European Union and the United Kingdom, for whom animal feed has become more expensive, energy and environmental costs are the limiting factors for EU production to reduce, while producers in the UK have had to face increased feed costs coupled with softer domestic demand for pork. Brazil and Mexico will continue to expand pork production to meet increased domestic demand, partly driven by consumers seeking cheaper alternatives to more expensive beef, alongside stronger export demand in many key countries. Production in Vietnam will continue to recover, with excellent management of ASF outbreaks on large farms.

Worldwide exports are forecast to reduce by 2% to 10.5 million tons in 2023 as Chinese imports are expected to be weaker for the second consecutive year, despite the continuing issue of ASF. The Philippines' pork imports are also expected to reduce with the end of an import-supporting policy in 2022. The quotas of temporary increases in pork volumes ended in May 2022 and reduced tax rates were extended to the end of 2022.

Pork imports to the UK are trending to increase and approach pre-COVID pandemic volumes. The consumer trend is for consumers to change from domestically produced pork from traditional butchers, to buying imported pork from large modern trade stores.

Production and export from the United States: US production is forecast to grow by 1% in 2023 to 12.4 million tons, from an increase in volumes and an increased weight of butchered pork. However, US export volumes are projected to decrease in 2023, from a relaxation in demand from key importers such as Mexico and China.

As for Thailand in 2022, volumes of fattening pig production were 14.2 million animals, a reduction on the previous year due to floods and epidemics from 2021-2022. These caused damage to the parent stock, and caused pig farmers to spend some time building up new breeding and livestock. In 2023 forecasts, 17 million animals are projected from the expansion of parent stock this year, while producers have enhanced and improved the stringency of disease protection systems.

Factors impacting production:

Epidemics of disease in pig populations: Despite modern and efficient pig farm management, and better capabilities to control outbreaks of disease, such outbreaks remain a risk factor, such as African Swine Fever and Porcine Reproductive and Respiratory Syndrome (PRRS). In the meantime, biosafety systems for pig farms have been upgraded with better monitoring and protection for disease, resulting in increased costs for consumers.

The prices of raw material for animal feed and the costs of feed are about 60% of production costs. The prices of the raw materials for feed have trended to increase continually, such as corn for animal feed, soybeans and soybean husks, have also resulted in increased costs for pork production.

Positive factors include the post-COVID-19 pandemic economic recovery, renewed tourism which is expected to increase in the future, all of which will result in increased demand for pork. It will be a positive price factor incentivizing farmers to increase volumes of pork production in line with market demand, which will cause the sale price of fattening pigs in Thailand to peak in 2023.

Shrimp (Source: *Thai Shrimp Association*)

In 2022, farmed shrimp in Thailand is forecast for a total of 280,000 ton, the same level as in 2021, as problems remain of diseases and unfavorable weather. Shrimp production in 2022 came 32% from the Upper Southern region, 25% from the Eastern region, 21% from Lower South Andaman Coast, 12% from the Central Plains and 10% from Lower South Gulf of Thailand Coast. Worldwide shrimp production from aquaculture is forecast at 4.8 million tons, an increase of 11%. Central- and South-American countries have greatly increased shrimp production on last year and the previous years. Ecuador in particular expects to produce as much as 1.35 million tons of shrimp. Meanwhile, among Asian countries, Vietnam is producing less, India has increased slightly, Indonesia has increased, and China has increased its production since the introduction of more giant tiger prawns, as shown in Table 1.

As for shrimp exports from Jan-Dec 2022, volumes were 144,113 tons, worth THB 50,906 Million, compared to the same period in 2021 which had export volumes of 154,289 tons worth THB 47,908 Million, showing volumes slightly reduced by 6.6%, while the value increased by 6.3% (as shown in Table 2)

In Thai shrimp aquaculture this year, producers in all regions were affected by turbulence weather, and large volumes of rain. Damage was discovered from high levels of White Spot Syndrome Virus (WSSV) disease at the start of the year. Enterocytozoon hepatopenaei (EHP), White Feces Syndrome, Necrotising hepatopancreatitis and WSSV, among other diseases, remained important issues for aquaculturists, who were required to make their shrimp catches prematurely. Productivity per rai was low, with an impact on prawn farmers all year. Damage from disease is thus the greatest hidden cost of shrimp aquaculture, over and above prices for other factors of production increasing, the impact of the Russia-Ukraine War, and the COVID-19 pandemic. Shrimp farmers can reduce the risks from variable weather and diseases by reducing the density and releasing prawns at intervals. At the end of the year, farmers can let shrimp ponds lie fallow, clean them out and clear aquaculture systems for a new release of shrimp at the start of 2023.

As for 2023 trends, Thailand is forecast to produce approximately 300,000 tonnes of shrimp, an increase of 4%. If issues of disease and other barriers are properly addressed by the government, with full state budget support, and with the strong cooperation of all sectors in the production chain to be outstanding in matters of reputation, image, quality, food safety, traceability, and environmentally-friendly aquaculture, Thailand has the potential to produce as much as 400,000 tonnes of shrimp as a raw material for export. Thailand retains its advantages in terms of key supporting factors for production, such as a world-class quality source of shrimp larvae, efficient prawn feed, skilled and experienced farmers who can hatch and nurture shrimp larvae, and capable companies with cold shrimp-processing rooms.

Most importantly, although Thailand is not a leader of shrimp production in terms of quantity as it was in the past, in terms of quality, Thai shrimp will remain in demand and have the confidence of buyers. This will enable the Thai shrimp industry to survive and be sustainable. Every sector in the production chain must join forces, with the state sector adjusting its role and showing some vision to help address the industry's issues in a meaningful way, so that the Thai shrimp industry can grow and progress sustainably.

Table 1 : World shrimp production 2018-2022*

Unit: Thousand Tons

Country / Year	2018	2019	2020	2021	2022*	% Change 21/22
Thailand	290	290	270	280	280	0%
China	525	625	550	800	900	12%
Vietnam	410	443	469	494	453	-8%
Indonesia	270	260	270	250	280	12%
India	560	580	600	730	740	1%
Malaysia	35	48	50	50	53	6%
the Philippines	56	54	55	60	70	17%
Central and South America	872	1073	1,242	1,503	1,832	22%
- Mexico	162	165	170	150	165	10%
- Brazil	50	65	85	120	110	8%
- Central America	100	110	80	85	94	11%
- Peru	30	33	25	38	48	-26%
- Ecuador	500	670	850	1,050	1,350	29%
- Columbia & Venezuela	30	30	32	60	65	8%
Other	200	135	158	163	191	17%
Total	3,218	3,508	3,664	4,330	4,799	11%

Source: Thai Shrimp Association, *Estimation

Table 2 : Export of Thai Shrimp 2022* (Jan-Dec)

Unit: Quantity - Tons, Value - THB Million

Country/Union	Jan-Dec 2021		Jan-Dec 2022		% Difference	
	Quantity	Value	Quantity	Value	Quantity	Value
Asia	95,314	26,671	94,890	30,702	-0.44%	15.11%
- China	21,937	6,821	23,081	8,316	5.21%	21.92%
- Japan	35,106	12,037	38,600	14,298	9.95%	18.78%
- Others	38,271	7,813	33,209	8,088	-13.23%	3.52%
The United States	43,273	15,835	35,247	14,830	-18.55%	-6.35%
EU	4,204	1,485	2,960	1,147	-29.59%	-22.76%
Australia	4,370	1,554	4,417	1,709	1.08%	9.97%
Others	7,128	2,363	6,599	2,518	-7.42%	6.56%
Total	154,289	47,908	144,113	50,906	-6.60%	6.26%

Source: Thai Shrimp Association - collected from the Customs Department

**(3) Procurement of products or services**

Total capacity for major products in 2021-2022 is shown below

Factory	2021			2022		
	No. of factories	Maximum capacity	Capacity utilization rate	No. of factories	Maximum capacity	Capacity utilization rate
Feed factories (Million tonnes)	62	20	78%	65	21	76%
Livestock processing factories (Thousand tonnes)	92	4,355	63%	98	4,434	68%
Aquaculture processing factories (Thousand tonnes)	11	104	41%	11	104	39%

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 : THB Million

Type of Assets	Book value as of December 31,	
	2021	2022
Land	52,165	67,782
Building, building-improvements and utilities system	82,387	112,238
Machinery and equipment	62,013	63,322
Assets under construction and installation	25,272	25,386
Others	7,016	7,936
Total	228,853	276,664

CPF had a commitment to transfer the ownership of assets, with total book value of THB 15 million as of December 31, 2022, 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 of December 31, 2025. 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, 2022, certain foreign subsidiaries had secured long-term borrowings totalling THB 26,140 million (2021: THB 25,783 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of THB 17,746 million (2021: THB 13,731 million), current and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying amount of THB 6,743 million (2021: THB 7,252 million).

In addition to the assets owned by CPF as described above, as of December 31, 2022, the Company has right-of-use assets covering land, buildings, equipment, vehicles and leasehold rights of THB 35,882 million for the periods of 1 to 56 years, expiring in 2023-2078.

(4.2) Patent, concession, copyright and trademark**Technical service agreement**

Certain foreign subsidiaries have a technical service agreement with a significant influence entity (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.

Trademark

CPF and certain subsidiaries have trademark agreements with 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 in the agreements.



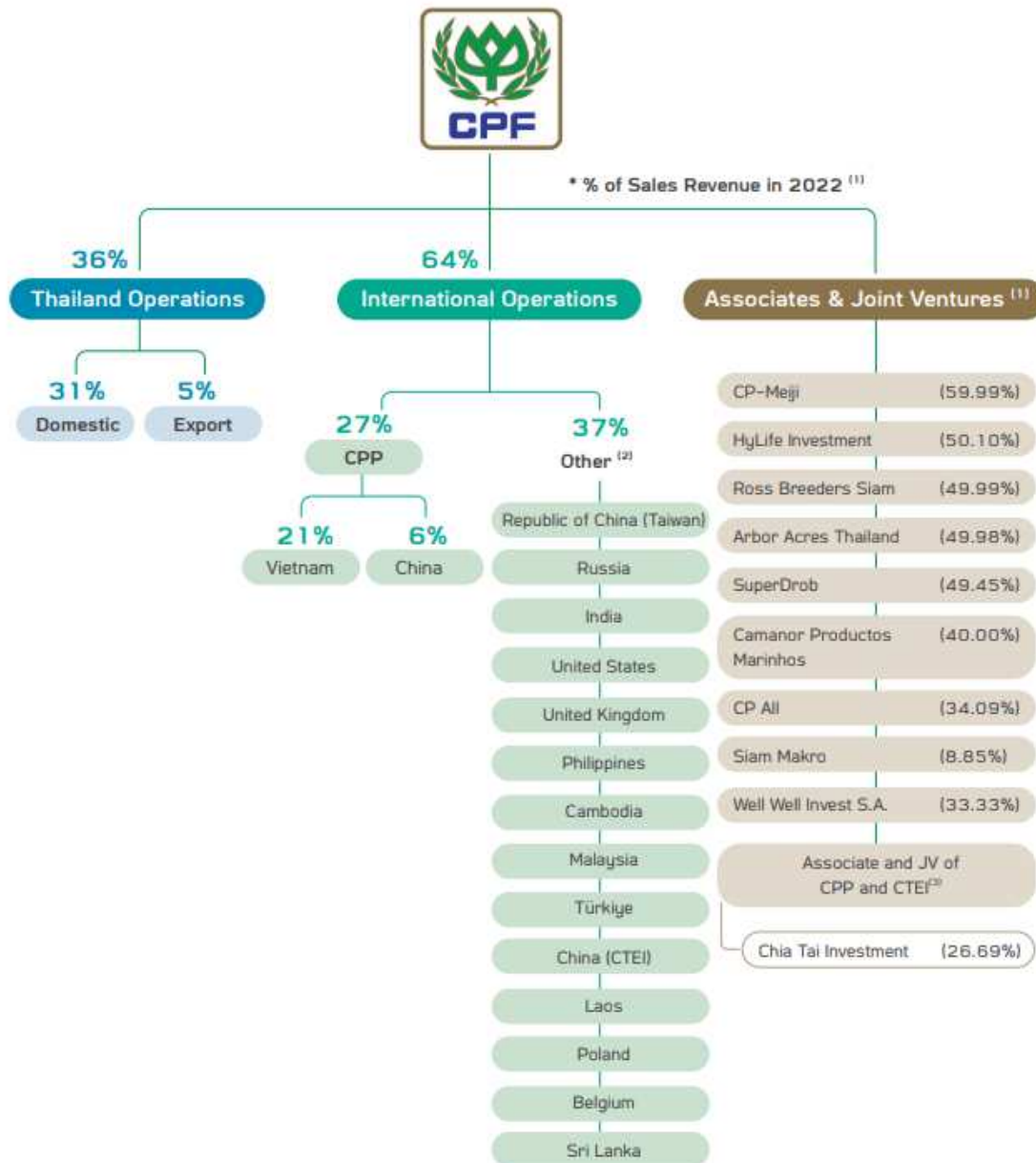
(4.3) Investment policy and management

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, 2022



Note :

(1) % of shareholding represent both direct and indirect holding.

(2) List of other operation areas.

(3) Group of associate and joint venture of CPP and CTEI. Details are available in Note to the financial statements for the year 2022.

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

As of December 31, 2022, there were 231 companies¹⁴ which CPF has direct and indirect control with detail as follows:

Thailand

Subsidiaries	Type of Business	Registered Capital	Interest (%)
1. CPF (Thailand) Plc. Bangkok Tel. 66-2-766-8000	Agro-industrial and integrated food	THB 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	THB 4,000,000,000	99.98
3. CPF Trading Co., Ltd. Bangkok Tel. 66-2-694-4466	Wholesale and retail food products	THB 800,000,000	99.98
4. Bangkok Produce Merchandising Plc. Bangkok Tel. 66-2-766-8000	Animal feed raw materials distribution	THB 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	THB 500,000,000	99.99
6. International Pet Food Co., Ltd. Bangkok Tel. 66-2-059-7121	Production and sale of pet food	THB 300,000,000	99.97
7. CPF IT Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Information technology service provider	THB 250,000,000	99.99
8. CPF Restaurant and Food Chain Co., Ltd. Bangkok Tel. 66-2-641-1362-6	Restaurant	THB 200,000,000	99.97
9. CP Hilai Harbour Co., Ltd. Bangkok	Restaurant	THB 160,000,000	99.99
10. Dak Glabi Group Co., Ltd. Bangkok Tel. 66-2-713-5455	Restaurant	THB 133,000,000	59.99
11. Chester's Food Co., Ltd. Bangkok Tel. 66-2-641-1333	Restaurant	THB 80,000,000	99.97
12. C.P. Merchandising Co., Ltd. Bangkok Tel. 66-2-766-8000	Investment and international trading	THB 51,900,000,000	99.99
13. Westbridge Foods (Thailand) Ltd. Bangkok Tel. 66-2-726-9890	Provision and development for Asian food product	THB 31,325,600	99.97
14. CPF Training Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Training center service provider	THB 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., Charoen Pokphand Foods Kenya Co., Ltd., CPF Tanzania Ltd., Wignall Holdings Limited, Bellisio Parent LLC., The All American Gourmet Company, Charoen Pokphand Feedmills (M) Sdn. Bhd., Linggi Poultry Farm (M) Sdn. Bhd., Charoen Pokphand Feedmills (B'worth) Sdn. Bhd., Westbridge Foods (Haydock) Ltd. And 9 companies in Fusion group.



Subsidiaries	Type of Business	Registered Capital	Interest (%)
15. Suansomboon Co., Ltd. Bangkok Tel.66-2-011-6888	Agricultural plant farming	THB 700,000,000	99.99
16. Tacharm Agricultural Industry Co., Ltd. Chonburi	Livestock farming	THB 5,000,000	79.99
17. CPF Food Network Co., Ltd. Bangkok	Exporter and importer of processed food, including RTE products	THB 5,000,000	99.97

China

Subsidiaries	Type of Business	Registered Capital	Interest (%)
18. C.P. Aquaculture (Dongfang) Co., Ltd. Tel. 86-898-3696-3979	Shrimp hatchery business	RMB 148,000,000	76.24
19. C.P. Aquaculture (Zhanjiang) Co., Ltd. Tel. 75-983-91726	Shrimp hatchery business	USD 12,000,000	76.24
20. 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
21. Wesbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	USD 100,000	99.97
22. Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	USD 1,680,000	76.24
23. Beijing CP Consultation Services Co., Ltd. Tel. 86-108-508-9000	Provision of consulting service on economic and trade	RMB 1,500,000	76.24
24. C.P. Food (Hengshui) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 271,630,000	76.24
25. C.P. Food (Kaifeng) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 52,000,000	76.24
26. 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	76.24
27. C.P. Food (Zhanjiang) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 99,500,000	76.24
28. 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	76.24
29. Chia Tai (Beijing) Investment Management Co., Ltd. Tel. 86-108-508-9000	Rendering management and advisory service	RMB 1,170,000,000	76.24
30. 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 94,336,400	76.24
31. 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	76.24
32. Chia Tai Biopharmaceutical (Fujian) Co., Ltd. Tel. 86-108-508-9000	Production and sale of drugs	RMB 60,000,000	35.17
33. Chia Tai Food (Suqian) Co., Ltd. Tel. 86-108-508-9000	Poultry farming, production and sale of chicken meat products	RMB 856,298,060	76.24
34. Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	76.24
35. 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	76.24



Subsidiaries	Type of Business	Registered Capital	Interest (%)
36. Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	76.24
37. 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	76.24
38. Fujian Chia Tai Food Co., Ltd. Tel. 86-108-508-9000	Sale of processed poultry meat	RMB 218,000,000	53.37
39. Fujian Hetai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and trading of poultry	RMB 50,000,000	53.37
40. Longyan Baotai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and sale of poultry	RMB 60,000,000	53.37
41. Longyan Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production of processed poultry meat	RMB 180,000,000	53.37
42. Henan Chia Tai Biochemistry Trading Co., Ltd.	Trading of animal drugs	RMB 10,000,000	35.17
43. Pucheng Chia Tai Biochemistry Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 189,890,000	35.17
44. Zhumadian Huazhong Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 72,000,000	35.17
45. Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	RMB 35,000,000	76.24
46. C.P.Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	RMB 12,600,000	76.24
47. Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	RMB 140,000,000	76.24

Vietnam

Subsidiaries	Type of Business	Registered Capital	Interest (%)
48. C.P. Vietnam Corporation Tel. 84-25-383-6251-9	Production and sale of animal feed, farming and food processing plant	VND 18,199,841,810	83.18
49. CPV Food Co.,Ltd	Livestock farming, production and sale of animal feed and processed food	VND 2,901,849,000,000	83.18
50. Dzine Food Solutions Co.,Ltd	Restaurants and mobile catering services	VND 70,000,000	83.18
51. AHM Lifestyles-Creative Hospitality Joint Stock Company	Restaurant	VND 41,500,000	62.43
52. Advanced Aquaculture Viet Nam Co., Ltd.	Aquaculture farming	VND 2,800,907,572,388	83.18

United Kingdom

Subsidiaries	Type of Business	Registered Capital	Interest (%)
53. Food Trac Ltd.	Distribution of meat products	GBP 100	99.97
54. Wesbridge Food Group Limited	Investment	GBP 88.96	99.97
55. Wesbridge Foods Ltd.	Importer and distributor of meat and processed foods	GBP 100	99.97
56. CP Foods (UK) Ltd. ("CPF UK") Tel. 44-1299-253131	Importer, product repacking service and distributor of processed meat and ready meals	GBP 271,200	99.97



Subsidiaries	Type of Business	Registered Capital	Interest (%)
57.-107. Subsidiaries of CPF UK (51 companies) ¹⁵	Importer and distributor of processed meat and ready meals	GBP 1	99.97
108. The Foodfellas Ltd. Tel. 44-2086-223064	Importer, exporter, and distributor of food raw materials, food products and frozen fresh fruit	GBP 15,567	99.97
109. CP Chozen Ltd.	Investment	GPB 800,000	79.99
110. Chozen Holdings Ltd. Tel. 44-1905-732100	Restaurant	GBP 30	79.99
111. Chozen Noodle Trading Ltd. Tel. 44-1905-732100	Property lease-out	GBP 10	79.99

Republic of China (Taiwan)

Subsidiaries	Type of Business	Registered Capital	Interest (%)
112. Chun Ta Investment Co., Ltd.	Investment	NTD 50,000,000	100.00
113. Ta Chung Investment Co., Ltd.	Investment	NTD 100,000,000	100.00
114. Charoen Pokphand Enterprise (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Chicken integration and livestock farming	NTD 3,579,000,000	39.00
115. 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
116. Rui Mu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 300,000,000	26.52
117. Rui Fu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 800,000,000	19.89
118. Sheng Da Food Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 200,000,000	14.92
119. 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 (%)
120. CPF (INDIA) Private Ltd. Tel. 91-44-265-68406	Production and sale of animal feed, farming and food processing plant	INR 5,905,687,500	99.99
121. C.P. Aquaculture (India) Private Ltd. Tel. 044-4604-9999	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	INR 250,000,000	75.00

USA

Subsidiaries	Type of Business	Registered Capital	Interest (%)
122. Bellisio Foods, Inc.	Production and distributor of ready meals	USD 100	100.00
123. Bellisio Investment, LLC	Investment	N/A	100.00
124. C.P. Food Products, Inc. Tel. 1-410-505-5017	Importer and distributor of seafood products, RTE products and frozen fruit	USD 7,980,000	99.98
125. Frozen Specialties, Inc.	Production and distributor of ready meals	N/A	100.00

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 Brethwood 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 Gocok 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.				



Subsidiaries	Type of Business	Registered Capital	Interest (%)
126.FSI Parent Corp.	Investment	N/A	100.00
127.Homegrown Shrimp (USA), LLC.	Shrimp farming	USD 16,600,000	100.00
128.Overhill Farms, Inc.	Production and distributor of ready meals	N/A	100.00
129.Berice LLC.	Investment in restaurant	USD 3,100,000	99.99
130.Yipeng, LLC.	Restaurant	USD 1,765,000	99.99

Russia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
131.Agro-Oskol CJSC Tel. 7-496-634-1963	Agricultural plant farming	RUB 2,100,000	75.82
132. Agro-Ostrogorszhsk LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 227,600,000	75.82
133.Agro-Sojuz TS LLC. Tel. 7-496-634-1963	Investment	RUB 10,000	75.82
134. Alekseevskiy Kombikormovy Zavod CJSC Tel. 7-496-634-1963	Animal feedmill	RUB 2,100,000	75.82
135.Alekseevsky Bekon JSC Tel. 7-496-634-1963	Livestock farming	RUB 4,248,800,850	75.82
136.APK Don LLC. Tel. 7-496-634-1963	Management and advisory service	RUB 1,000,000	75.82
137.Chochol Trostjanka LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 1,000,000	75.82
138.Donskoy Bekon LLC. Tel. 7-496-634-1963	Livestock farming	RUB 20,000,000	75.82
139.Farm Construction LLC. Tel. 8-831-211-3011	Swine farm construction	RUB 100,000	75.82
140.Kornevo LLC. Tel. 8-401-230-7700	Livestock farming	RUB 203,010,000	75.82
141.Management Company RBPI Group LLC. Tel. 8-401-230-7700	Property lease-out	RUB 173,110,000	75.82
142.Mjaso-Sojuz T LLC.	Investment	RUB 10,000	75.82
143.MPK Belgorod LLC.	Investment	RUB 100,000	75.82
144.NNPP LLC. Tel. 8-831-211-3011	Livestock farming	RUB 483,040,562.83	75.82
145 NNPP-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 900,000,000	75.82
146.Pravdinsk Pig Production JSC Tel. 8-401-230-7700	Livestock farming	RUB 1,030,000,000	75.82
147.Pravdinsk Pig Production-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 1,010,000,000	75.82
148.RBPI Elite Seeds LLC	Production of elite seeds	RUB 1,000,000	75.82
149.RBPI Partner East LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 10,000,000	75.82
150.RBPI Partner West LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 1,000,000	75.82
151.RBPI Voronezh LLC. Tel. 8-401-230-7700	Investment	RUB 10,000,000	75.82
152.Rechnoe LLC. Tel. 8-401-230-7700	Biological waste management services provider	RUB 50,000,000	75.82
153.Charoen Pokphand Foods (Overseas) LLC. Tel. 7-496-634-1963	Animal feedmill and livestock farming	RUB 5,266,995,018.50	99.99



Subsidiaries	Type of Business	Registered Capital	Interest (%)
154. CPF Agro LLC. Tel. 7-496-634-1963	Livestock farming	RUB 605,277,700	99.99
155. CPF Construction LLC. Tel. 7-496-634-1963	Provision of consulting service on construction	RUB 19,000,000	99.99
156. CPF Foods LLC. Tel. 7-496-634-1963	Property lease-out	RUB 480,010,000	99.99
157. CPF Ryazan LLC. Tel. 7-496-634-1963	Livestock farming	RUB 87,238,163.21	99.99
158. CPF Serebryanie Prudy LLC. Tel. 7-496-634-1963	Livestock farming	RUB 34,391,907.76	99.99
159. JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	RUB 1,129,937,718	99.99
160. JSC Pouly Parant Stock Production Woyskovitsy	Livestock farming and breeding	RUB 196,500,735	99.99
161. Stesha LLC.	Investment	RUB 21,490,384,913	99.99
162. CP Foods Trading Co., LLC.	Importer and exporter of meat products	RUB 10,000	99.99

Türkiye

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

Philippines

Subsidiaries	Type of Business	Registered Capital	Interest (%)
164. Charoen 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 (%)
165. AA Meat Shop Sdn. Bhd. Tel. 603-8065-1800	Livestock processing retailer	N/A	99.99
166. Asia Aquaculture (M) Sdn. Bhd. Tel. 603-4027-1800	Shrimp farming and processing plant	RM 520,000,000	99.99
167. Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	RM 420,000,000	99.99
168. Chau Yang Farming Sdn. Bhd. Tel. 605-3771-331	Livestock farming	N/A	99.99
169. Makin Jernih Sdn. Bhd.	Investment	N/A	99.99
170. Tip Top Meat Sdn. Bhd. Tel. 603-6091-7340	Livestock processing plant	N/A	99.99
171. Star Feedmills (M) Sdn. Bhd. Tel. 603-4027-1800	Aquatic feed production and distribution	RM 100,000,000	99.99
172. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	N/A	100.00
173.-176. Subsidiaries of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (4 companies) ⁶	livestock feedmill and livestock farming	N/A	100.00

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.

**Laos**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
177.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 (%)
178.CPF Europe S.A. Tel. 32-2357-5380	Importer and distributor of fresh meat and processed food, including RTE products, dry food, ingredients, seafood, and investment	EUR 95,595,000	99.97
179.Tops Foods NV Tel. 32-1428-5560	Production and distributor of ready meals	EUR 3,940,000	89.69

Sri-Lanka

Subsidiaries	Type of Business	Registered Capital	Interest (%)
180.Norfolk Foods (Private) Limited Tel. 9-411-285-7340	Production and sale of ready meal	LKR 246,500,000	80.00
181.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 (%)
182.CPF Poland S.A Tel. 48-22-7790600	Agro-industrial and food	PLN 9,250,000	66.67
183.Pet Republic	Production and sale of pet food	PLN 330,000	60.00
184.CPF Culinar Sp. z o.o.	Production of seafood products	PLN 2,650,000	66.67
185.Food Port Sp. z o.o.	Distributor of seafood products	PLN 300,000	66.67
186.PLANT-TEC Europe Sp. z o.o.	Investment	PLN 21,600	66.67

Cambodia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
187.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
188.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 (%)
189.Finagro ASP	Financial service	DK 550,000	75.82
190.CPF Denmark A/S Tel. 45-7526-1330	Importer and distributor of fresh meat and processed food, including RTE products and frozen fruit	EUR 500,000	51.99

Germany

Subsidiaries	Type of Business	Registered Capital	Interest (%)
191.Paulsen Food GmbH	Distributor of fresh meat, processed products, seafood and investment	EUR 25,000	99.97
192.CPF Distribution GmbH	Distribution of ready meals	EUR 511,292	99.97
193.ZGG Verwaltungs GmbH	Investment	EUR 26,000	99.97

Canada

Subsidiaries	Type of Business	Registered Capital	Interest (%)
194.Bellisio Foods Canada Corp.	Production and distributor of ready meals	N/A	100.00
195.CPF Canada Holdings Corp.	Investment in integrated swine business	CAD 476,000,000	99.99

**Netherlands**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
196. Wesbridge Holding B.V.	Investment	EUR 18,000	99.97
197. CPF Netherlands B.V.	Investment	USD 1,250,000,000	99.99

British Virgin Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
198. Bright Excel Investments Ltd.	Investment	USD 50,000	100.00
199. C.P. Foods Holdings Ltd.	Investment	USD 1,000,000	99.99
200. C.P. Foods International Ltd.	Investment	USD 100,000,000	100.00
201. Coinaton Investments Ltd.	Investment	USD 50,000	100.00
202. CPF Investment Ltd.	Investment	USD 1,750,000,000	100.00
203. CPVN Ltd.	Investment	USD 1,000,000	100.00
204. Forward Pass Ltd.	Investment	USD 50,000	100.00
205. Giant Crown Investments Limited	Investment	USD 50,000	100.00
206. New Splendid Holdings Ltd.	Investment	USD 50,000	100.00
207. Modern State Investments Ltd.	Investment	USD 120,000,000	76.24
208. Charoen Pokphand (China) Investment Ltd.	Investment	USD 56,000,000	76.24
209. ECI Machinery Co., Ltd.	Investment	USD 50,000	50.43
210. CP Foods Capital Ltd.	Investment	USD 100,000,000	100.00

Bermuda

Subsidiaries	Type of Business	Registered Capital	Interest (%)
211. Charoen Pokphand (Taiwan) Investment Ltd.	Investment	USD 12,000	100.00
212. C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food business	USD 600,000,000	76.24
213. C.T. Progressive (H.K.) Ltd.	Investment	HKD 1,000,000	76.24
214. Chia Tai Enterprises International Ltd.	Investment	USD 80,000,000	50.43

Cayman Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
215. CP China Investment Ltd.	Investment	USD 129,750,000	76.24
216. Plenty Type Ltd.	Investment	USD 13,361,488.37	39.00

Hong Kong

Subsidiaries	Type of Business	Registered Capital	Interest (%)
217. CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, fresh meat, processed meat, seafood, milk product and RTE products, frozen fruit, and investment	HKD 7,000,000	99.98
218. C.P. Standard Resources Ltd.	Investment	N/A	76.24
219. CP Food Investment Ltd.	Investment	N/A	76.24
220. Hannick Ltd.	Property investment	N/A	76.24
221. C.P. Enterprises Ltd.	Investment	N/A	50.43
222. Chia Tai Huazhong Biochemistry Ltd.	Investment	N/A	50.43
223. Chia Tai Pucheng Biochemistry Ltd.	Investment	N/A	50.43
224. Golden Industrial Investment Ltd.	Investment	N/A	50.43
225. Chia Tai Lianyungang Co., Ltd.	Investment	HKD 1,000,000	39.00
226. CP Aqua Co., Ltd.	Investment in aquaculture business	N/A	76.24

Norway

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



Japan

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

France

Subsidiaries	Type of Business	Registered Capital	Interest (%)
229. Wesbridge Foods (France) Sarl	Distribution of meat products	EUR 100	99.97

Singapore

Subsidiaries	Type of Business	Registered Capital	Interest (%)
230. CP Foods Singapore Pte. Ltd.	Importer and distributor of processed meat and ready meals	SGD 1,500,000	99.98

South Korea

Subsidiaries	Type of Business	Registered Capital	Interest (%)
231. Consumer Package Commerce Co., Ltd.	Importer and distributor of processed meat and ready meals	KRW 540,000,000	99.98

Associates, Joint Ventures and Other Investments

As of December 31, 2022, 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	INR 300,000,000	74.99
2. CP-Meiji Co., Ltd. Bangkok, Thailand Tel. 66-2-664-5309	Manufacturing and distribution of milk products and healthy dairy products	THB 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	49.99
5. Ross Breeders Siam Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	THB 70,000,000	49.99
6. Arbor Acres Thailand Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	THB 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. CP-MP Logistics Joint Stock Co. Ltd. Vietnam Tel. 28-363-66471	Logistic provider	VND 5,900,000,000	40.76
9. Camanor Produtos Marinhos Ltda. Brazil Tel. 55-84-4008-0448	Shrimp farming and primary processing businesses	BR 11,666,667	40.00
10. A.P.P. Enterprise, Inc. Tel. 63-45-963-6510	Property lease-out	PHP 5,000	39.60
11. Chia Tai Conti (Cixi) Investment Management Ltd. China	Provision of consulting service on economic and trade	RMB 3,000,000	38.12



Company	Type of Business	Registered Capital	Interest (%)
12. Conti Chia Tai International Ltd. Hong Kong Tel. 852-282-36171	Investment	HKD 3,122,000	38.12
13. CP All Plc. 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	THB 8,986,296,048	34.09
14. Well Well Invest S.A. Poland	Investment in plant-based business	PLN 5,079,673	33.33
15. Cixi Zhudu Investment Management Center (Ltd. Partnership) China	Investment	RMB 9,995,000	34.69
16. Siam Rivea Co., Ltd. Bangkok, Thailand	Restaurant	THB 290,000,000	29.99
17. Chai Tai Investment Co., Ltd. China	Investment and trading	RMB 4,158,722,926	26.69
18. Rosleko sp. Z o.o. Poland	Manufacturing and distribution plant-based dairy products	PLN 10,000	26.67
19. 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
20. Nava 84 Co., Ltd. Bangkok, Thailand	Investment in economic crop plantation companies in Thailand	THB 1,500,000,000	25.00
21. Sao Ta Foods Joint Stock Company Vietnam	Production and sale of seafood products	VND 653,888,890,000	20.71
22. Feng Sheng Livestock Co., Ltd. Republic of China (Taiwan)	Production and sale of poultry	NTD 600,000,000	19.51
23. Cloud Food System Joint Stock Company Vietnam	Food delivery service via application	VND 11,086,470,000	19.40
24. BHJ Kalino Food AB Sweden Tel. 46-4620-5260	Trading of chilled and frozen meat and food	SEK 1,000,000	15.08
25. 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
26. Kinghill Limited Cayman Islands	Investment in company that manage shopping center, "Super Brand Mall" in China	USD 680,000,000	13.96
27. Kamereo International Ple, Ltd. Singapore	Electronic market business	SGD 51,200	10.40
28. Chia Tai (Jilin) Co., Ltd. Hong Kong	Investment in livestock feedmill and livestock farming business in China	USD 2,500,000	10.00
29. Siam Makro Plc. Bangkok, Thailand	Wholesale and retail business	THB 5,586,161,750	8.85
30. CPPC Plc. Bangkok, Thailand Tel. 66-2-766-8090	Production and sale of plastic	THB 1,950,000,000	6.58
31. C.P. Land Plc. Bangkok, Thailand Tel. 66-2-766-7000	Property development	THB 3,630,310,000	6.49
32. True Corporation Plc. Bangkok, Thailand Tel. 66-2-643-1111	Information Technology & Communication	THB 133,472,781,204	2.21

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

There were two associates of CPF which Charoen Pokphand Group Co., Ltd. ("CPG") and its related person hold more than 10% as of December 31, 2022 namely (1) Nava 84 Co., Ltd. ("Nava 84") which CPF held 25% since establishment. Then other existing shareholders of Nava 84 sold 75% stake to CPG. And (2) 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.

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 13, 2023, the latest record date.

Names	No. of Shares	% Shareholding (before deduction of treasury stock ⁽¹⁾)
1. CPG Group ⁽²⁾ comprises:	4,333,779,812	50.33%
1.1 CPG ⁽³⁾	2,154,464,925	25.02%
1.2 Jumbo Kingdom Ventures Ltd. ⁽⁴⁾	771,713,248	8.96%
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⁾	629,430,720	7.31%
3. Social Security Office ⁽¹⁰⁾	253,190,460	2.94%
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED ⁽¹¹⁾	176,546,946	2.05%
5. STATE STREET EUROPE LIMITED ⁽¹¹⁾	154,272,180	1.79%
6. UBS AG HONG KONG BRANCH ⁽¹¹⁾	126,895,600	1.47%
7. Mr. Prinya Tiewanworn	121,000,000	1.41%
8. CITIBANK NOMINEES SINGAPORE PTE LTD-A/C GIC C ⁽¹²⁾	68,494,906	0.80%
9. Vayupak Fund	66,450,600	0.77%
9.1 Vayupak Fund 1 by MFC Asset Management Plc. ⁽¹³⁾	33,225,300	0.38%
9.2 Vayupak Fund 1 by Krung Thai Asset Management Plc. ⁽¹³⁾	33,225,300	0.38%
10. MORGAN STANLEY & CO. INTERNATIONAL PLC ⁽¹⁴⁾	45,050,400	0.52%

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

Note

⁽¹⁾ 246,159,800 treasury stock or 2.86% 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: Charoen Pokphand SJ Holdings 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. 4.54%, Mr. Phongthep Chiaravanont 4.26%, Mr. Manas Chiaravanont 4.22%, Mrs. Somsri Lumsam 4.21%, Mr. Nopadol Chiaravanont and Mrs. Nuchanart Chiaravanont 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 foreign company, contact information: 399 Interchange 21 Building, 12th Floor, Sukhumvit Road, Wattana, Bangkok 10110, Thailand

⁽¹³⁾ A Thai fund, contact information: Kasikorn Bank Plc., Custodian Department, 19th Floor, Soi Rat Burana 27/1, Rat Burana Road, Bangkok 10140, Thailand

⁽¹⁴⁾ 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, 2022

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

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

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



1.5 Other Securities

Debentures

As of December 31, 2022, there were 29 CPF outstanding debentures, totaling principal of THB 138,015 million as prescribed below. All debentures have been rated “A+” with “Stable” outlook by TRIS Rating Co., Ltd. on March 31, 2022.

Debentures	Amount (THB mn.)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum
1. CPF Debenture #1/2011 Series 3*	4,000.0	Aug. 19, 2011	Aug. 19, 2041	30	5.42%
2. CPF Debenture #2/2011*	6,000.0	Dec. 21, 2011	Dec. 21, 2041	30	5.42%
3. CPF Debenture #2/2012 Series 3*	5,000.0	Aug. 3, 2012	Aug. 3, 2032	20	5.30%
4. CPF Debenture #1/2015 Series 2	5,500.0	May 13, 2015	May 13, 2023	8	3.98%
5. CPF Debenture #2/2015 Series 1	1,940.0	July 29, 2015	July 29, 2023	8	3.97%
6. CPF Debenture #2/2015 Series 2	3,000.0	July 29, 2015	July 29, 2025	10	4.28%
7. CPF Debenture #2/2015 Series 3	2,000.0	July 29, 2015	July 29, 2027	12	4.51%
8. CPF Debenture #1/2016 Series 2	3,500.0	Apr. 12, 2016	Apr. 12, 2024	8	3.11%
9. CPF Debenture #1/2016 Series 3	2,500.0	Apr. 12, 2016	Apr. 12, 2031	15	3.73%
10. CPF Debenture #1/2018 Series 1	5,460.0	Jan. 24, 2018	Jan. 24, 2025	7	3.05%
11. CPF Debenture #1/2018 Series 2	6,540.0	Jan. 24, 2018	Jan. 24, 2028	10	3.60%
12. CPF Debenture #2/2018 Series 3	2,200.0	Nov. 15, 2018	Nov. 15, 2024	6	3.79%
13. CPF Debenture #2/2018 Series 4	3,200.0	Nov. 15, 2018	Nov. 15, 2028	10	4.41%
14. CPF Debenture #2/2018 Series 5	5,300.0	Nov. 15, 2018	Nov. 15, 2030	12	4.66%
15. CPF Debenture #1/2020 Series 1	8,407.6	Jun. 5, 2020	Jun. 5, 2024	4	3.00%
16. CPF Debenture #1/2020 Series 2	7,164.4	Jun. 5, 2020	Jun. 5, 2024	4	3.00%
17. CPF Debenture #1/2020 Series 3	2,725.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
18. CPF Debenture #1/2020 Series 4	2,643.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
19. CPF Debenture #1/2020 Series 5	940.0	Jun. 5, 2020	Jun. 5, 2032	12	3.75%
20. CPF Debenture #1/2020 Series 6	3,120.0	Jun. 5, 2020	Jun. 5, 2035	15	4.00%
21. CPF Debenture #1/2021 Series 1	13,064.5	Jan. 22, 2021	Jan. 22, 2026	5	2.99%
22. CPF Debenture #1/2021 Series 2	4,028.7	Jan. 22, 2021	Jan. 22, 2028	7	3.15%
23. CPF Debenture #1/2021 Series 3	5,034.4	Jan. 22, 2021	Jan. 22, 2031	10	3.60%
24. CPF Debenture #1/2021 Series 4	5,372.4	Jan. 22, 2021	Jan. 22, 2033	12	3.80%
25. CPF Debenture #1/2021 Series 5	2,500.0	Jan. 22, 2021	Jan. 22, 2023	2	1.75%
26. CPF Debenture #1/2022**	15,000.0	Mar. 2, 2022	N/A	N/A	Year 1-5 = 4.50% and after the 5th 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
27. CPF Debenture #1/2022 Series 1	4,989.10	Aug. 10, 2022	Aug. 10, 2026	4	3.15%
28. CPF Debenture #1/2022 Series 2	3,079.70	Aug. 10, 2022	Aug. 10, 2028	6	3.60%
29. CPF Debenture #1/2022 Series 3	3,806.00	Aug. 10, 2022	Aug. 10, 2030	8	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, 2022, CPF had outstanding bills of exchange totaling THB 3,555 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, 2022, CPF's dividend income from subsidiaries totaled THB 19,599 million.

2. Risk Management

2.1 Risk Management Policy and Plans

Today's business operations are faced with incidents in a volatile, uncertain and complex business environment. There may be sudden changes which are difficult to predict. Effective risk management is a factor helping the Company to grow securely and sustainably, and provide suitable returns to stakeholders.

Risk Management Culture

The Company promotes a culture of risk management among employees at every level, to build knowledge, understanding and awareness, as well as anticipation of probable risk as follows;

- In terms of a risk management environment: communicating Risk Management Policy, and integrating principles with work processes; determining a risk appetite and determining risk management to be part of the organization's strategy;
- In terms of awareness: making video clips to communicate the commitment and important of risk management to work colleagues, making posters about probable risk situations for operators to acknowledge methods to prevent them, and also providing risk training sessions to build understanding and assess risk efficiently;
- In term of Implementation: running risk management workshop regularly between the management of business units and the Risk Management Office, determining the management measures and Key Risk Indicators (KRIs) as well as following up progress in operations, organizing comprehensive risk assessment for large investment projects, promoting risk related agendas to include in monthly meetings of the business unit, and encouraging the business unit to share experience in risk management.

Risk Management Policy and Management Structure

The Company has specified systematic risk management covering every category of risk, conducted in and integrated across the corporation. This is consistent with the international standards of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), to enable the identification of risk and business opportunities appropriately and in a timely manner. This includes managing risk in acceptable levels (risk appetite) and supporting business operations sustainably. This operation has the following committees and departments involved:

- The Audit Committee has been assigned by the Board of Directors to conduct adequate and effective reviews of risk, and compliance with Risk Management Policy and Strategy, as well as risk appetite.
- The Executive Committee is responsible for oversight and monitoring of key risk, risk management and fostering risk management culture.
- The Risk Management Sub-committee, chaired by Chief Financial Officer, has the obligation to review key risks of the Company, and determines and monitors operations implemented under risk management measures and KRIs, in cooperation with all relevant departments who are the risk owners. This Risk Management Sub-committee follows up risk and progress in implementing appropriate measures, and meets quarterly.
- Risk Management Office has the obligation to promote and disseminate knowledge and suggestions regarding risk management, and following up progress of the risk management.
- Management of the business units directly responsible for risk management in the scope of their responsibilities, and reports the results of risk management to the Risk Management Sub-committee.
- Compliance & Risk Champion who is the intermediary coordinating between business units, the Compliance Office and the Risk Management Office.
- Internal Audit Office has the obligation to assess work processes and give recommendations to develop risk management systems.

The Company has determined that there will be assessment of risk every quarter, or whenever there are significant changes to the business environment. The Risk Management Sub-committee will report the results of the assessment to the Executive Committee and the Audit Committee respectively. The results of the risk assessment will also be notified to the Management Committee for their acknowledgement and to implement the stipulated measures.

Structure and Operations of the Risk Management Sub-committee

The Company has appointed the Risk Management Sub-committee with the following members:

- | | | |
|-----------------|--------------------|----------------------------|
| 1. Mr. Paisan | Chirakitcharern | Chair of the Sub-committee |
| 2. Mr. Siripong | Aroonratana | Member |
| 3. Dr. Sujint | Thammasart, D.V.M. | Member |
| 4. Dr. Sommai | Tachasirinugune | Member |
| 5. Mr. Anat | Julintron | Member |
| 6. Miss Wipawan | Pramoonkwamdee | Member and Secretary |

In 2022, the Risk Management Sub-committee held regular meetings. These had the objective to review key risks for the Company and have the risk-owning business unit present risk management methods, and suggestions to improve measures and management. The Sub-committee also considered data collection of KRIs and alert key possible risks to the business unit for urgent remedy, and review awareness-raising plans for risk management.

Risk Management Systems and Tools

The Company's risk management process has been compiled into the "Risk Management Manual", with the following procedures and tools to be used:

1. Identifying risk which may have an impact on the Company achieving its objectives, being both existing risk and emerging risk, and explaining the description of risk to help executives understand relationships with adequate data to be the basis of risk assessment;
2. Assessing risk according to the principles in which the Company has determined, on a basis of acceptable risk levels, as well as identifying the cause of risk. The assessment is run through risk workshops. The results of the assessment and risk priorities result will be presented in the form of a risk heat map;
3. Managing key risk by determining and monitoring progress of measures;
4. Preparing a system of alerts for risk incidents by determining KRIs;
5. Reporting progress of measures, and the status of KRIs in a specified cycle.

2.2 Risk Factors in the Company's Operations

The Company gives priority to analysis of risk factors, being both existing risks and emerging risks in the future which may affect the Company's management of its supply chain, or the industry in 3-5 years, with an objective to deploy this in determining business strategy and risk management plans.

The following risks are significant risks, but there may be other risk factors as yet unknown, or risk which is considered to be not significant, so that investors should consider other additional risks when investing in the Company's securities.

2.2.1 Emerging Risks**(1) Climate change and extreme weather events**

The global situation rather unpredictably caused severe and extreme changes to the climate throughout 2022. There was a severe heat wave and drought in China affecting crops, livestock and factory production. Severe heat wave and drought in Europe made wildfires five times more likely than over the last 10 years, and agricultural crops were reduced. In the United States, there was drought in western states, and flash floods in eastern states. Thailand was affected by floods which arose more quickly than last year. These physical risks have doubled in intensity, taken much longer to abate, and have escalated, with an impact on food security, because goods could not be produced as before, and had to be imported to be adequate for domestic demand.

Despite the Company having manufacturing bases worldwide, enabling the mitigation of risk from the impact of climate change to a certain degree, there were other effects impacting the efficiency of supply chain management such as increased raw materials costs for the production of animal feed because of reduced growing area, damaged crops, business interruptions or even transportation routes unavailable because of the floods, reduced efficiency in raising livestock from water quality and changeable weather, and animals getting sick more easily from climate volatility.

Risk Management

The Company operated its agribusiness and food businesses by mitigation and adjustment to cope with the changing climate by:

- Assessing impacts from climate change according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and additional risk assessments of flood and drought, then set the guidelines to cope, prepare, exercise caution and monitor the situation continuously;
- Developing weather forecasting systems to be more accurate, including analysis of the impact of natural disasters on agricultural produce, source raw materials from new locations in every region around the world, including research and development the alternative raw materials;
- Developing products and processes throughout the supply chain to reduce waste and loss starting from the production of the raw materials for animal feed to the production of food for human consumption. This also included reducing environmental impacts, such as formulae for animal feed to reduce nitrogen emissions which had been eliminated in manure;
- Revising criteria on the selection of sites for farms and factories, from changes in topography and climate, by considering historical data and future forecasts;
- Revising and practicing emergency plans and business continuity plans;
- Holding insurance policy for economic loss and damage.

(2) Risk from the low carbon society mission

Climate change and continually increasing global temperatures are a key agenda at the international level. Every country is pushing to reduce greenhouse gas emissions, and Thailand has expressed its intention to scale up the targets specified by the Nationally Determined Contribution (NDC) at the 26th United Nations Climate Change Conference (COP26). Separate from this, the Company's key trading partners have issued continuous measures to manage this problem. For instance, there are measures from the EU and USA to make Carbon Border Adjustment Mechanism (CBAM), and policies to import goods free of deforestation or biodiversity risk from Europe. These measures are considered to be trade barriers. At the 27th United Nations Climate Change Conference (COP27), each country submitted a national plan to reduce greenhouse gas emissions, which may have the result of additional measures of this type. Hence, sales, profit, or market share may be reduced. However, if the company's supply chain can continue its operations in according to the requirements, this will also be a good alternative for consumers.

Risk Management

The Company has a target to become a low-carbon organization, with a commitment to conduct operations according to the principles of the circular economy, as follows:

- Increasing production process efficiency by reducing the amount of energy usage per production unit, by setting both short-term and long-term targets;
- Promoting the use of renewable energy in various forms such as installing biogas which is a clean source of energy to generate electricity on the farm, reduce fossil fuels by switching to renewables;
- Developing products to reduce impacts on climate change, such as Low Carbon Products, as well as developing packaging which reduces the use of plastic and which can be recycled;
- Planning logistics to optimize the efficiency of fuel use, and reduce empty space in vehicles;
- Reducing general waste, food loss and food waste from production in order to reduce landfill and incineration of waste;
- Addressing issues by using nature as a basis of sourcing raw materials responsibly throughout the supply chain, increasing green space on operational sites, and conserving, protecting and restoring watershed forest and mangrove forest.

(3) Protein from plant-based and cell-based

Consumers are tending to reduce their consumption of meat, as they are becoming more selective in their consumption. They wish to see the business demonstrate responsibility to climate change in its operations and the

issue of animal welfare. They therefore expect that a food business will manufacture delicious and healthy products which are friendly to the environment and are sustainable. It is expected that by 2024, the value of the global market for plant-based protein may be as much as THB 750,000 million, which is a continuous expansion of 10% per year since 2019. This market has a constant stream of new players and newly-invented technologies, so growth may be exponential. This would impact sales of meat-based protein which is the Company's core business. Although the Company has products in this category, the Company is also obligated to research, discover and develop its products, as it still lacks expertise in this new business.

Risk Management

The Company is focused on developing and offering products based on diverse sources of protein in response to this trend and consumer demand, for the Company to maintain continuous growth, as follows:

- Establishing a Research & Development Center for food products, in collaboration with experts in the R&D of alternative protein food products, while extending such research to commercial production;
- Studying behavior trends, analyzing demand and developing products to meet consumer demand such as vegan, vegetarian and flexitarian categories;
- Continuous development of flavours, textures and variety among products in the plant-based protein category;
- Ongoing studies of trends and opportunities in the business of protein from animal cells.

(4) International conflicts

Incidents of international conflict, trade wars and the use of military force were events occurring throughout 2022. The Russia-Ukraine war is a conflict which has impacted the Company's business, as these countries are globally important exporters of grain and natural gas, impacting raw materials for producing food in the supply chain. For instance, the price of wheat increased because Ukraine could not export it, while energy increased in price from the boycott of energy produced by Russia. There were shortages of palm oil, which reached a high price because it was being used as a substitute for sunflower seeds and sunflower oil which Ukraine could not export. Also, Indonesia, a major exporter of palm oil, suspended exports temporarily. Fertilizer increased in price because Russia and China limited exports. The costs of growing vegetables and other crops increased as a result. Apart from the war between Russia and Ukraine, these crises and uncertainties caused the government of each country to issue special measures to reduce possible impacts. Such measures included the temporary suspension of exports, price interventions on agricultural crops, or in the foreign exchange markets. Whatever the conflict, there were inevitable impacts to the Company's management of the supply chain, as the Company had production bases, used raw materials and sold products all over the world. It was therefore impacted by both volumes and price of raw materials, requiring management of the situation to enable the business to continue production and sales according to sales and profit targets. Although these events were risks requiring urgent remedy by the Company, there were also sales opportunities arising for the business competitor countries suspended exports temporarily.

Meanwhile, the trade war between the United States and China is still ongoing, and may cause each country to comply with additionally specified trade conditions, with a corresponding impact on operations.

Risk Management

The Company managed impacts from international conflicts, over and above the exercise of privileges in measures of assistance from the government sector, as follows:

- Monitoring the situation and anticipating possible impacts to the supply chain and preparing measures to deal with these as a matter of urgency;
- Estimating crop yields and food raw materials required, and purchasing in advance at an appropriate price to reduce the impact of possible price fluctuations;
- Getting Research & Development departments to come up with formulae for production and seeking for substitute raw materials with an emphasis on raw materials sourced domestically;

- Expanding the scope of operations to planting maize in countries where the Company operates, with the target of reducing reliance on external supplies, reducing transportation and reducing raw materials costs.

2.2.2 ESG risks

(1) Water quantity and sufficiency

The La Niña phenomenon has continued from the previous year, giving Southeast Asian countries above-average amounts of precipitation, coupled with more severe storms. As a result, in 2022 there were adequate water to address the problem of drought. It is forecasted that in 2023, this problem will also be reduced. However, The United Nations estimates that in the future, the problem of drought will become more severe and widespread. The Company has therefore made proactive adjustments to its management of water resources and conducted operations to be consistent with the risk assessment. There is a regular risk assessment of water sources every year, on a basis of volumes of water taken, together with baseline water stress of the watershed areas in which the Company's operational sites are located. The Aqueduct Water Risk Atlas, which has been developed by the World Resource Institute (WRI), was used, and it has been discovered to be 45% of the Company's establishment (with the exception of restaurants not using water as a key factor of production) located in areas at risk of water stress.

Risk Management

Water of adequate quality and quantity is a key factor for crops, livestock and food processing. The Company has managed water resources by focusing on reducing the impacts of possibly reduced quantity and quality which may impact business operations at each work site from achieving their objectives by:

- Reviewing the criteria used in selecting each plant location to be consistent with changes in the environment;
- Setting targets for water use per unit of production, both annually and long-term, preparing water management plans such as raising animals in consistent with periods of adequate water, procuring backup sources of water, keeping water reserves for the future and treating water for reuse, and assessing water use compared to targets, analysis and seeking further improvements;
- Determining operating measures to manage issues for business units located in areas of water risk;
- Developing systems of growing crops, raising livestock and manufacturing to be more productive, using water cost-effectively and reducing overall water use on the principle of the 3Rs: reduce, reuse and recycle;
- Monitoring the water situation to plan business continuity;
- Listening to the opinions of co-users of water and surrounding communities;
- Focusing on conserving, protecting and restoring watershed forest by implementing a variety of project at the Company, community and national level.

(2) Human rights in the supply chain

The Company has scheduled continuous inspections and assessments of human rights every 3 years. In 2022 the Company conducted its human rights due diligence with a scope covering business activities in the value chain at every site of the Company, both domestically and overseas, including Tier-1 Suppliers. Salient human rights issues are summarized in the following table.

Company operations	Operations of Tier-1 Suppliers
1. Employee Health and Safety	1. Working Conditions
2. Community Health and Safety	2. Employee Health and Safety
3. Community Standard of Living, and Water & Sanitation	
4. Customer/Consumer Health and Safety	
5. Supplier Health and Safety	

With the results of this, the Company was required to consider the efficiency of measures to mitigate existing impacts and develop additional measures to prevent and mitigate impacts which may affect stakeholders, business operations and the Company's reputation.

Risk Management

Human rights are a basic given, when working and living together. The Company has thus implemented the following:

- Announcing policy, guidelines, statements, as well as communicating, and monitoring progress in operations such as Human Rights Policy, Corporate Social Responsibility to Sustainability Policy, Sustainable Sourcing Policy and Supplier Guiding Principle, Safety, Health, Environment and Energy Policy, Employee and Labor Management Policy, Quality Policy, and Healthier Choice Principle, etc.;
- Developing a comprehensive monitoring process and conducting of human rights due diligence throughout the supply chain covering every group, such as groups with diversity, groups with sensitivity with regards to race and religion, people with physical disabilities and children, etc.;
- Assessing additional specific risk to issues prioritized by stakeholders such as assessing environmental and water risks, and using the data obtained to inform the preparation of risk management measures in the matter of community standard of living, and water & sanitation;
- Giving knowledge to employees, both Thai and foreign, in the matter of human rights, labor rights, labour law, hygiene and safety in the workplace, basic corporate governance and business ethics, and recommended channels of complaint;
- Collaborating with the Labour Protection Network (LPN) to set up the center of Labour Voice Hotlines by LPN for every employee to have a channel to express their opinions, suggestions, complaints or inquiries;
- Providing channels to receive notification of grievance or complaint from the communities, customers and consumers, as well as business partners, and remedying such complaints as a matter of urgency;
- Visiting communities to sound out opinions and concerns of local people.

(3) Occupational health and safety risk

Workplace accidents may occur at any time, whether incidents which have previously occurred, or completely new incidents. Although the Company seeks to develop a working environment to reduce severe incidents which would lead to loss of life and property, the incidents encountered generally have many causes, such as human error, violation of procedure, unclear definitions of procedure, incorrect practice, or worn out equipment. Employees can be injured or die, and the Company may lose an employee and damage its reputation.

Risk Management

The Company implements occupational health and safety measures continuously, covering employees, contractors, communities and other stakeholders as follows:

- Developing Safety, Health, Environment, and Energy Policy, including standards of operating procedures for high-risk work, assessing the risk and reviewing operations on a yearly basis to tighten up these measures;
- Requiring consideration on safety, health, environment, and energy risks in investment projects;
- Holding training for the preliminary assistance of accident victims, improving the work environment, preparing personnel and equipment to respond to emergencies, including regular practices and reviews of emergency plans;
- Having policies and processes in place enabling employees and contractors to stop work for all the parties or refuse to work, including reporting near miss issues if they encounter a situation or working conditions which are unsafe;
- Monitoring risk events while working and specified targets to reduce loss time injury rate;
- Communicating risk events with posters for the relevant operators to be aware and give priority and protect themselves from danger, such as falling from heights or being electrocuted;
- Providing a system for reporting incidents, investigating their causes and developing more stringent forms of protection;
- Developing production systems and automatic machinery control systems, using digital technology and robotics, particularly in places with possible health and safety impacts on employees.

(4) Corruption

The Company acknowledges the significance of possible corruption, so clear internal processes have been designed with transparent and verifiable financial disbursement systems, and certification as a member of Thai Private Sector Collective Action Against Corruption (CAC). A network has also been built in the Company's supply chain on the principles of good governance. Participation in this program has earned the Company consecutive CAC Change Agent awards.

Although the Company has adjusted its processes to be consistent for contacting various bodies, the Company may encounter bribery in various forms which might make operations more convenient, cover up wrongdoing or increase business opportunities, which may lead to legal action or reputational damage.

Risk Management

The Company is committed to a transparent supply chain with the following operations:

- Announcing the policies and regulations such as Anti-corruption Policy, Corporate Governance and Sustainable Development Policy, Rules and Requirement for accepting gifts, Reimbursement of Hospitality Expense, Charitable Payments, etc., and continuous communicating the best practice for stakeholders both internal and external;
- Designing system of disbursement which is inspected for adequate stringency;
- Organizing training and reviews of knowledge for employees, to instill anti-corruption awareness;
- Studying the work systems of agencies contacted and designing corresponding workflow, including identifying the roles and responsibilities of related parties;
- Assessing risk from inability to comply with the stipulations of government agencies, and determining the measures to manage this;
- Inspecting and verifying that work is conducted according to procedure by the Internal Audit Office;
- Providing various different channels for whistleblowing, complaints or suggestions, including applying a process for investigation by the related committee;
- Promoting, supporting and inspecting suppliers for transparent, verifiable and responsible operations

(5) Risks from disputes with communities

The Company has premises located in many locations surrounded by communities, societies and stakeholders with a diverse variety of different needs. The Company gives priority to continuous engagement between the production location and its communities in joint operations with stakeholders. There must be awareness of the community's concerns and needs to consider changing work practices as appropriate. However, operations may be the source of inadvertent errors such as large numbers of flies, unpleasant odors from water treatment ponds not working correctly, or noise pollution from public address systems at night. Such incidents may be the cause of complaint or conflict with the surrounding community, and may impact the Company's reputation or business continuity, or may require expenditure to remedy the dispute.

Risk Management

The Company intends for every work location to perform its operations on target and be accepted by its surrounding communities, so various measures have been implemented to deal with any potential conflict as follows:

- Setting targets with follow up for every work location to use reduce resources per unit of production such as water and power;
- For new work locations: selecting a site according to the stipulated criteria, visiting the location to give information and listening to opinions from the community, assessing comprehensive risk for investment project in order to support the information for approval, and developing factories and farms which are friendly to communities;
- Currently operational work locations: improving farming and producing to reduce dust, odors and waste, such as developing animal feed to reduce odors and excess nitrogen in manure, or using circular systems

for water on livestock farms, etc., organizing systems to manage complaints and follow up situations which may lead to a dispute, visiting locations to talk about issues of community concern, identify impacts on the community and establish guidelines to manage the situation alongside a supporting emergency plan;

- Engaging with assisting and developing the community, such as sharing liquid fertilizer, creating local employment and sharing agricultural and livestock know-how.

(6) Legal risk and risk from pertinent regulations

The Company must conduct itself in compliance with the laws, rules and regulations which are in force. However as the state sector makes amendments to existing laws and issues new laws rapidly and continuously in just a few years, combined with expectations that in the near future, new laws will be issued, or there may be additional enforcement. Adjustments or changes to work systems and processes to be appropriate to the new laws may cause the Company to incur additional costs.

Risk Management

Compliance with laws and regulations of regulatory agencies and the destination country is considered an obligation for the Company. The Company has stipulated roles, duties and responsibilities separated by departments as follows:

- Departments with direct responsibility
 - Monitoring laws which have been changed, or newly announced laws which are pertinent, analyzing the situation, assessing risk arising from consistent practice and determine operational guidelines;
 - Amending policy, procedures and work practices to be consistent with the pertinent laws.
- Departments with the obligation of oversight
 - Monitoring laws which have been changed or newly announced laws which are pertinent to the Company, assessing risk and communicating directly to the responsible departments to acknowledge and implement correct practice;
 - Giving advice to responsible departments in the matter of compliance with the law;
 - Creating a data warehouse for regulatory compliance by collecting laws and regulations, Company policies and regulations, important contracts, licences and permits, and standards for which the Company has been certified;
 - Preparing compliance self assessment survey;
 - Consulting, giving suggestions and coordinating with external consultants to assist the responsible departments to plan operations and give in-depth opinions;
 - Monitoring and reviewing practice of various departments for confidence that work processes are consistent with the pertinent laws and regulations and report compliance with regulations to the Audit Committee and the relevant executives.
- Internal Audit Office inspects the operations of each department independently, for confidence that businesses are compliant with the pertinent regulations and laws.

2.2.3 Strategic risk

(1) Changed in consumer behavior

Trends of consumer behaviour in the food industry remain concerned with attention to eating healthy food which has nutritional value, is fresh and is easy to buy, and is manufactured by processes with care for communities and society, and which are friendly to the environment. Consumers also give priority to food of premium quality, providing value for the money paid, and there are new products, or products are sold through new sales channels. This is a marketing challenge for the Company, which must develop products which meet consumer demand at a reasonable price, through a diverse range of sales channels. Moreover, product communication should be simple for the product to catch on with consumers, who will choose it as they need, so that the Company can maintain sales, profits and market share, while also creating new opportunities for the business.

Risk Management

The Company has managed marketing work to enable forecasts of behavioural trends and meeting consumers needs by:

- Surveying consumer demand, listening to opinions and using these to design and make adjustments for products and services to meet their needs optimally;
- Developing food innovation and packaging continuously in cooperation with experts;
- Offering products made from animal protein and alternative proteins in a diverse range with health benefits;
- Innovation in livestock production and manufacturing with a social dimension which is friendly to the environment, such as boosting the digestion efficiency of animals by using a diet formulated with reducing protein raw materials, raising animal welfare across the supply chain, developing green packaging appropriate to each kind of product;
- Adding marketing communication channels and information about the product through various media, and especially online society, as well as sales points, and points of product delivery;
- Highlighting product features with short texts, easy to understand and remember, communicating unique points that are different from competitors.

(2) Investment and operating performance

Over the last year, many negative factors have impacted business operations, both the slowdown in global economic conditions, accelerating inflation in countries that have a manufacturing base and the destination countries, as well as increases in energy prices, the outbreak of war between nations and political tensions. The Company has thus adjusted its strategy and investment with a focus on greater efficiency and expanded markets in its core businesses which have opportunities for growth. The Company has been cautious in its investment decisions but has also had to face challenges. These have included delays and cost overruns on investment projects, which may also not deliver the returns on investment, thereby impacting the Company's sales and overall performance.

Risk Management

The Company has allocated budgets, specified the criteria for investment decisions and monitored operations by:

- Before deciding to invest: considering whether objectives of the investment are consistent with the Company's targets, studying investment opportunities in tandem with perspective returns or potential risk, the law and the operating environment; doing due diligence on overseas investment, and considering feasibility alongside risk assessment for the investment project;
- After deciding to invest: monitoring progress and performance with key performance indicators in the specified cycle. In the case of operating results not being on target, the responsible executives must present issues that they encounter and determine the measuring to manage them.

(3) Increasing inflation

Imbalances between energy supply and demand and labour shortages which have been the cause of increased wages in the core business countries, combined with the Russia-Ukraine war, have caused shortages of agricultural crops and energy, leading to increased prices compared to the pre-war period. These factors have been the cause of continual increases in cost push inflation, affecting many countries around the world. This situation affects every party as a systemic risk, as well as the Company, which must manage costs, sales and profit to be on target.

Risk Management

The Company is managing production costs and setting strategic sales plans to maintain competitive capabilities with the following:

- Improving manufacturing efficiency by reducing machinery downtime and wastage of raw materials, streamlining working procedures, surveying leakages in the production process and using renewable energy;
- Assessing the situation to find ways of reducing transportation expenses and boosting efficiency, such as by transporting a full truck load, planning transportation routes and using appropriately-sized vehicles;
- Specify and monitor KPIs for efficiency in logistics management;
- Reduce product pack size in consultation with customers.

(4) Trade barriers

The Company is currently facing differing and diverse conditions set by each destination country, such as quality and safety standards for some product categories, the setting of import quotas and tariff barriers, etc. These have correspondingly increased the Company's operating costs. It is forecasted that the shape of future trade barriers may have a trend to increase with claims of social and environmental issues, and issues of good governance, animal welfare and global sustainability. As a result, the Company will have increased costs throughout the supply chain, impacting competitive capabilities which may lead to a loss of market share if no action is taken:

Risk Management

The Company has production bases in various different countries around the world, and had managed risk from trade barriers by:

- Giving information and support to government bodies for international trade negotiations;
- Monitoring trends in issuing new regulations, studying impacts, setting strategies and guidelines to cope;
- Moving production bases to countries giving tax breaks or other privileges;
- Reformulating products to be acceptable to customer in destination countries;
- Seeking new markets both domestically and overseas to reduce the impact of reduced sales.

2.2.4 Operational risks

(1) Product quality and safety

The Company manufactures product that is high-quality and safe, and consistent with nutritional principles. This starts from using quality animal feed, rearing livestock under biosecurity standards, reducing the use of antibiotics and avoiding bio-stimulants. This leads to a food production process using high technology and certified to international standards. This enables products to retain their nutritional value and ensure that consumers are supplied with safe food. This results in a reduction in consuming food which is unhygienic, contaminated or containing foreign bodies, which could be the source of illness. However, if customers or consumers receive substandard products, this may lead to complaints, product returns which may lead to product recalls, with impacts on the Company's trust, image and reputation, and may lead to the loss of customers.

Risk management

The Company has continuously developed systems to manage food safety and quality and product sustainability which follow the One Standard for All. The aim is to instill confidence among consumers by:

- Comply with Responsible Use of Antibiotics Policy, Quality Policy and Traceability Policy;
- Farm management
 - In animal welfare, improving both living conditions and physical attributes of livestock;
 - Antimicrobial Interventions and Animal Health in livestock businesses in every country, both the Company's livestock farms and contract farms, use antibiotics primarily for veterinary treatment, only selecting antibiotics approved for livestock, and conducting operations under veterinary supervision;
 - Animal Nutrition, such as using prebiotics and probiotics in animal feed to assist digestion and enhance the animal's strength.

- Production
 - Creating behaviors and instill awareness of food production that is safe for employees through activities such as Influencer Plus and Food Safety On Tour;
 - Communicating risky food incidents which may lead to complaints, for operators to be informed of preventative guidelines;
 - Researching and developing products with nutritional values and flavors and developing packaging which is efficient in protecting food products to be safe;
 - Deploying technology and international standards to manufacturing and quality control processes, as well as developing the CPF Food Standard¹⁷ as a single system throughout the supply chain;
 - Inspecting raw materials and products in food safety labs which have been certified to international standards, before the products are delivered;
 - Inspecting the production processes by the Quality Assurance Office and customer companies;
 - Review and follow-up of collecting Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) regarding food complaints;
 - Clearly and adequately communicating product information through media and on product labelling;
 - Practicing and reviewing of product recall plan to support the case of product issues at the crisis level.
- Developing digital traceability systems to inform consumers about the origin of products in hand;
- Listening to opinions and taking complaints from consumers through various channels and scheduling deadlines for resolution according to the severity of the incident.

(2) Animals Epidemics and Animal-to-humans Epidemics

The epidemic of African Swine Fever (ASF) is still current in many countries around the world. The announcement of discovered cases in Thailand at the start of 2022 resulted in a reduction in the number of breeding sows of over 50%, which impacted volumes of fattening pigs which could be produced. Despite the overall situation in Thailand improving, it still had to be monitored closely. There was also smuggling of pork cuts from abroad which may have been the cause of new outbreaks.

Avian Influenza (AI) in poultry: Thailand has experienced epidemics historically, so monitoring was essential. In 2022, an outbreak of a virulent strain in ASEAN countries was reported, putting Thailand at risk of infection. Epidemics of this disease abroad have been continually encountered in places such as Europe and the United States, which are significant global sources of breeding poultry. Enterocytozoon Hepatopenaei (EHP) in shrimp has the effect of slowing the shrimps' development, giving different sizes depending on the severity of the disease, and continuous die-off.

The Company has continually developed biosecurity systems which can prevent epidemics to a certain degree. However, if operators do not follow their procedure correctly, new outbreaks can occur. New disease or new strains which do not yet have a vaccine may cause outbreaks on farms impacting costs and efficiency, yields and the shipping of products abroad. This is because some governments in other countries may determine import limitations, consumers may slow down consumption and customers may cancel orders. There may also be impacts on the health of employees who are in contact with the diseased animals.

Risk Management

The Company has developed efficient and cost-effective livestock rearing systems by:

- Developing stronger breeds which are suitable for that environment and consistent with the basic principles of genetics;

¹⁷ CPF Food Standard is an integrated international standards consisting of CODEX, ISO9001, ISO22000, and domestic and foreign regulations. This also includes customer standards such as British Retail Consortium (BRC), Good Hygiene Practices, Poultry Welfare Standard for Broiler Chicken.

- Developing animal feed with high nutrition suitable for the needs of each kind of livestock at different ages. Prebiotics and probiotics are used in animal feed to assist digestion and promote the animal's overall strength;
- Determining locations for farms on the basis of risk management, green farming, animal welfare and management of biosecurity;
- Testing and developing systems to treat water, providing feed and maintaining a suitable environment to suit the nature of each animal at each stage of life;
- Planning to import parent and grandparent stock of poultry in coordination with suppliers and preparing a backup plan for the import breeding stock;
- Developing an alert system for outbreaks of disease enabling operators to upgrade timely protection of livestock;
- Monitoring news of disease and including research into causative factors of disease and disease prevention;
- Limiting risk of the spread of infection to farms or reduce contact with livestock by using technology in livestock rearing, and assess operational systems with customers and third parties by Remote Audit;
- Giving knowledge to growers around the farm for knowledge and understanding about disease and methods of protection;
- Reviewing and practicing management plans for the event of an epidemic crisis.

(3) Efficiency and sustainability in the supply chain

Producing and exporting countries of agricultural crops and food around the world all concerned about their food security. As a consequence, they have enacted various measures to prevent domestic shortages of food, such as suspending exports temporarily or raising export tariffs. This impacts the Company's management of its supply chain, as raw materials are used from around the world. The Company has been required to adjust its plans to source and use raw materials to ensure adequate supplies for demand, and with quality to standard at the appropriate price, and consistent with guidelines for sustainable operations. This enables sales of animal feed, livestock and food to remain competitive, and which can be delivered to customers as previously agreed.

Risk Management

The Company has boosted efficiency of supply chain management, reduced the rate of dependence on external factors, and promoted sustainability by:

- In cooperation with farmers and suppliers
 - Coordination with business suppliers to analyze trends in volumes and prices of crops, including sea freight charges;
 - Assess and review risk from suppliers which may impact business continuity throughout the supply chain, and operating the business on the principles of good corporate governance and sustainability;
 - Specify indicators in procuring raw materials from responsible sources;
 - Installing a system to trace the sources of key agricultural raw materials, which must not come from an area of deforestation, including maize, soybeans, tapioca, palm oil and fish meal;
 - Helping farmers to reduce costs and boost efficiency by fostering knowledge, developing growing skills and deploying management systems. The Company also helps farmers with transportation to the animal feed mill;
 - Cooperation with the government sector and industry to develop standards and monitoring systems for suppliers to promote sustainability in sourcing raw materials.
- In internal management
 - Developing the sustainable use of raw materials with a focus on balance and cost effectiveness for the greatest benefit;
 - Increasing the ratio of domestically sourced raw materials for their production base and diversify raw materials to reduce dependence on foreign raw materials;

- Adding value with by product from the production process;
- Applying technology to production, livestock husbandry, transportation and sales to maintain product quality and safety, extend distribution lifetimes and reduce loss throughout the process, reduce steps and supporting the work;
- Reducing waste by reusing and upcycling products such as manure, chicken pen litter, precipitated residues from treatment, egg shells, organic waste, and ashes from boilers reused as fertilizer or material to improve the soil;
- Determining Key Performance Indicators such as the survival rate for each item of animal, production capacity, costs per unit and service level;
- Advising customers on product storage and distribution to consumers to maintain quality and safety, while reducing food waste.

(4) Volatility in product prices for commodities

A. Volatility of raw material prices used to produce animal feed

Maize: The government sector has guaranteed growers' incomes for farmers of corn for animal feed. Import measures have been determined for wheat and the purchase of domestic corn to help farmers. However it is well known Thailand does not have adequate production of corn for demand, coupled with changes to the conditions for purchase of corn which must be processed before the import of wheat. This has increased the price of corn in Thailand, while overseas, producing countries' production has reduced. Adding to this, the Russia-Ukraine war has impacted export volumes of cereal grains all over the world. On this issues, the Thai government sector has issued measures to assist, by offering a waiver on regulations concerning wheat connected to sourcing domestic corn temporarily, however in reality, compliance with this state assistance was difficult because of time limitations.

Soybeans and soybean meal: The drought in South America reduced production, while freight rates increased on routes between South America and Thailand. Moreover, total global stock reached a 5-year low.

Fish meal: the price of fish meal which the Company purchases is related to the price of tuna, as the Company uses fish meal as a by product from tuna factories. In 2022, tuna prices have been increasing from increased fuel costs impacting the costs of fishing, freezing, and transportation. Apart from this, the Company has determined that purchases must be in consistent with the IFFO Responsible Supply standard (IFFO RS) or IFFO RS Improvers Programme (IFFO RS IP), and must be free of by catch species at risk of extinction, according to the pertinent definitions.

This kind of environment and a continually weakening baht has impacted the raw material costs for animal feed which is imported from overseas, with the result that in 2022 the prices of raw materials continue to increase and stabilized at a high level compared to the previous year, impacting on the costs of animal feed and food production.

2021-2022 Average domestic prices of raw materials for animal feed (THB/kg)

Raw material	Average domestic prices	
	2021	2022
Corn	10.0	12.3
Soybean meal	19.5	22.7
Fish meal	35.8	41.8

Risk Management

The Company manages the raw material for animal feed to ensure adequate volumes at a competitive price level as follows:

- Monitoring information which may impact price such as government policy, tax rate, shipping and lading, oil prices, developments among competitors in the industry, natural disasters in growing areas and forecasts of agricultural crops;
- Seeking out raw materials from new production sources and analyzing their required volumes for planning of advance purchases, especially in the harvest season;
- Promoting knowledge about growing for farmers to boost efficiency of both quality and productivity per rai;
- Purchasing raw materials from domestic sources in the first instance; if production is inadequate or the quality is substandard, additional materials are purchased from overseas;
- Discovering and researching substitute raw materials by adapting local raw materials for use and buying directly from owners, such as buying rice products from local rice mills;
- Expanding the scope of business operations to growing corn for animal feed and promoting domestic farmers who have a production base to reduce reliance on imports and reduce costs on raw materials and transportation;
- Managing raw material warehouse efficiently and sufficiently for storage.

B. Volatility of meat and livestock prices

The price for both live animals and meat has been volatile in every country in which the Company has a production base, but overall, there is a trend for prices to increase from the previous year, in which:

Swine: Epidemics of African Swine Fever (ASF) are still ongoing in many countries, including Asia. This has impacted volumes of pork production, with the exception of China, where the epidemic was discovered in 2018 and there has been a revival of rearing swine, increasing volumes of pigs, but still below the period before the disease.

Broiler: Overseas markets have opened up more to Thai products such as Saudi Arabia, and including shortages of chicken in Malaysia. This was an opportunity to expand the Malaysian and Singaporean markets impacted by measures to temporarily suspend exports in Malaysia. Apart from this, many countries, including Thailand, have reopened more, causing the volume of demand for broilers to increase.

Egg: The Thai government has controlled import volumes of grandparent and parent stock of layer hens and numbers of caged hens, and determined a recommended price. In 2022 measures were issued to support the sale price and release hens aged 78-80 weeks, and allowing big producers to export eggs to reduce gluts in the market.

Shrimp: In the past, Thailand has been a leader in shrimp exports, but a spread of recent epidemics among prawns impacted production volume of shrimp. In 2022, the Shrimp Board approve the import of shrimp for use as a raw material to manufacture products for export. This was because volumes of shrimp production were not adequate for the demand from processing plants. It was approved to import at specific times that volumes of domestic production were low. This was also under the condition that processing factories are buying shrimp from farmers at the minimum guaranteed price, to maintain stability of the domestic shrimp price.

Besides situations directly impacting each kind of animal, forecasts of production across the industry which could be used to manage the situation are difficult. Therefore, the Company's operations have also been volatile in line with the situation for meat prices, and may not be according to target if the market price set is lower.

Risk Management

The Company has managed price volatility by:

- Analysing historical data and studying business cycles of each category of animal, and considering trends of companies' expansion in the industry, state policy, epidemics in livestock and volumes of demand, for use in investment planning, rearing and production;
- Developing products which are distinguished and differentiated from competitors, as well as developing products with added value such as Benja chicken, Chiva pork, and chicken rib;
- Promoting sales of pack brand products in the processed meat and instant food segments;
- Analyzing the market to find new customers or new target countries;
- Preparing a backup plan for raising, producing, marketing and selling in the case of price volatility.

(5) Cyber Risk

The Company has implemented technology and information technology systems as the core mechanism to manage data, managing farms, factories, and distribution centers to increase competitive potential and support changing ways to work such as Digital Transformation, Cloud, and the Internet of Things to a greater extent, as well as controlling machinery automatically, collecting data, processing data and analyzing large data sets, remote working and online meetings. These changes may open up channels and opportunities for cyber criminals to attack the Companies systems easier, and the trend of cyber threats is constantly increasing in both intensity and complexity. A cyber-attack may cause business operations to be interrupted and cause damage, or leaks of sensitive data such as financial or personal records to the public, and thereby impacting the Company's reputation, business continuity, competitive capabilities, or may even be the subject of legal action.

Risk Management

The Company has taken steps with the objective for its key working and data systems to be safe from cyber threats by:

- Implementing Information Security Policy and Standard compliant with the ISO 27001 (ISMS) standard;
- Defining an information classification and holding training to review principles and procedure regularly;
- Monitoring and detecting cybercrime with the Security Operation Center (SOC) and protect work systems against unauthorized access;
- Communicating best practice and building awareness of cyber-safety with the Company's employees, and including correct responses to infestations of viruses, malware or spam emails;
- Creating back up sites for important systems;
- Regularly practicing the Disaster Recovery Plan (DRP) together with Business Continuity Plan (BCP);
- Reviewing security systems by an external auditor, and inspection to certify cyber security to international standards such as the ISO27001 (ISMS) standard on managing IT security;
- Reviewing and monitoring the collection of data for the Key Risk Indicators (KRIs).

As a result of the implementation of the stated measures, and continuous improvement of the controls. This also includes the ability to predict, detect, prevent and prepare a recovery plan if the Company copes with the cyber threat or attack, the Company did not find any threats that caused damage in 2022.

(6) Human resources management to support future business growth

Management of human resources to keep abreast of changes in the world of business 5.0 and being prepared to support growth on target, and consistency with the Company's employment policies to hire smart people and good people is challenging. This is because the rate of competition for quality hires in the market has greatly increased recently. The Company has had to adapt its HR strategy and organizational structure as appropriate to build strength and create happiness for employees. With this, they are ready for change and keeping up with the situation. They can work efficiently and operate according to the Company's targets. If employees and the Company cannot adapt to a rapidly changing business context, this will inevitably impact the Company meeting its target to become a high performance organization and implement its plans for business growth.

Risk Management

The Company has guidelines for managing human resources to be of high quality and adequate to support business growth in the future as follows:

- Recruitment and selection
 - Helping develop the potential of students to have the knowledge and abilities and experience required by the labour market; proactive recruitment and selection through the labor networks of both the state and the private sector;
 - Making selections with internationally-recognised tools;
 - Holding business games competitions as a channel to find candidates with ability.
- Skills and ability development
 - Developing learning programs in 4 key areas – basic knowledge, future skills concerned with digital tech, leadership and functional skills;
 - Upgrade staff capabilities to be diverse outside their normal line of work;
 - Give scholarships to build opportunities in developing knowledge at the bachelors' and masters' degree level;
 - Sharing experiences with executives or outside speakers with specialist knowledge.
- Loyalty and retention
 - Conduct employee engagement survey, planing to improve loyalty, and specifying the Change Agents of business units with the key role of driving change and powering operations through various projects;
 - Planning career path for the employee and set succession plans for key positions;
 - Promoting modular organization work, in joint projects between staff from many departments and business units for flexible and agile workflows, promoting teamwork, mutual acceptance and learning, and distribution of power.

2.2.5 Fluctuations in the financial markets

During 2022, there was recovery from the COVID-19 pandemic and a trend to revert to normality in stages. Governments in many countries have started to reopen for more economic activity. For instance, the country has been opened to tourism, but factors remain which impact global economic conditions, with the result of economic recovery slowing down: (1) the Russia- Ukraine war causing oil prices to spike and agricultural raw materials to also sharply increase with a state of inflation, and (2) Lockdown and severe Zero COVID policy in China has resulted in raw materials shortages from China which is a big producer (3) The United States Federal Reserve increasing interest rates putting pressure on global economic expansion and increasing volatility in the global financial sector.

As for Thailand, the COVID-19 situation has started to abate. The domestic economy has started to recover. The government sector has relaxed international travel regulations, with the result of more foreign tourists coming to Thailand. However, Thailand has also been impacted by these factors, as well as interest rate increases from the Bank of Thailand, resulting in the cost of borrowing and raising funds increasing.

The Company has revenue from foreign currencies, such as revenue from its overseas based business units, revenue from export of its units in Thailand, and dividends from investment. As well as income call that the Company also has expenditures in foreign countries from the purchase of raw materials for the production process, the import of consumables, machinery and equipment, as well as expenditures on foreign investment. Apart from this, some loans are denominated in foreign currencies, so the Company has managed its revenue and expenditure appropriately, as well as managing the impacts of exchange rates and interest rates. In 2022 CPF and its Thai subsidiaries had a total export volume off THB 33,149 million, or 5% of total revenues, with imports valued at THB 21,998 million or 4% of total costs.

For managing interest rates, on December 31, 2022, the Company had a net debt to equity ratio⁸ of 1.44. Among the total debt, some parts came from borrowing from financial institution and the issue of debt instruments causing spending on interest. The expectation is that exchange rates and interest rates will continue to fluctuate under current global economic conditions, and the Company must consider alternatives in raising fund, forms of paying returns, and the time period required to raise fund, to bring about appropriate levels of interest burdens consistent with the Company's policy.

Risk Management

The Company has specified a risk management policy for foreign exchange rates to not focus on the speculative short-term, and spreading risk from the receipt or payment of foreign currencies with a diverse basket of currencies. There are also measures to manage revenues and expenses denominated in foreign currency in the form of a Natural Hedge. As for managing interest rates, the Company has mostly borrowed at fixed interest rates so the Company can book its real expenses, but the Company also has a portion of loans with floating rates, of which as of December 31, 2022, the Company had loans with a variable rate totalling THB 106,130 million, calculated as 39% of all loans with increasing interest rates of 1% will give the Company an extra interest burden of THB 1,061 million. The Company has also stipulated a policy for the net debt to equity ratio in accordance with the consolidated financial statement and ensure strict compliance with the policy. The Company must also exercise caution on various decisions, and has thus specify accounting and finance departments to monitor interest rates for compilation and analysis from reliable data sources. The choice of any alternative is the obligation of the committee or the authorized person, and has been clearly stipulated in the Financial Policy and Procedures.

The Company has determined a framework for managing financial volatility, but in fact, some measures may not eliminate volatility. The Company may thus use more financial derivatives to manage fluctuations in forex and interest rates to be at an acceptable level. The use of such financial tools must only be carried out by the assigned persons and approved by authorized persons.

2.2.6 Corporate image and reputational risk

Having a good reputation and corporate image is a crucial part of making customers and consumers decide to buy the Company's products. The Company is therefore aware and gives priority to maintaining brand value and maintaining strong brands. This is done by operating the business ethically without any impacts on society and the environment, giving assistance to all stakeholders as appropriate and in line with operating guidelines. However, there may be external factors beyond the Company's control having an impact. Last year there was the negative news of epidemics among livestock, the spread of disinformation concerning the Company on various media, and particularly social media. Also, operating errors can impact some groups of stakeholders. These incidents may reduce the brand value and damage the Company's reputation.

Risk Management

The Company promotes a good corporate image and showcases to society its determination to operate business on the principles of good governance by:

- Developing work processes that are in compliance with the law and suitable for operating a modern business and are responsible;
- Building awareness for personnel to have knowledge and insight to conduct themselves with the principles of good governance and sustainable corporate development;
- Disseminating information about the business which is correct and creative and is of benefit to build the brand and underline corporate responsibility;
- Providing channels for stakeholders to make inquiries and suggestions, as well as complaints, and speedy resolution of issues encountered by the pertinent personnel;

⁸ Calculated according to the criteria specified in the Term, Conditions and Obligations of the Issuer and Debenture holders of CPF Debentures, No. 2/2013, 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.

- Assessing demand and expectations from stakeholders with analysis of material topics and preparing a suitable management plan;
- Establishing a department with the responsibility of monitoring news in the online media, alerting management to incidents, responding to news and preparing communications plans in crisis situations;
- Determining Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) as well as management guidelines if these are not on target.

2.2.7 Risk from having one major shareholder holding more than 25% of total issued shares

As of March 13, 2023, Charoen Pokphand Group Co., Ltd. and its subsidiaries held CPF shares for 45.38% 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 equally, fairly, and taking into account the benefits of the Company and shareholders in accordance with the good corporate governance and Sustainable Development 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, investors shall consider other additional risk factors before investing in the Company's securities.

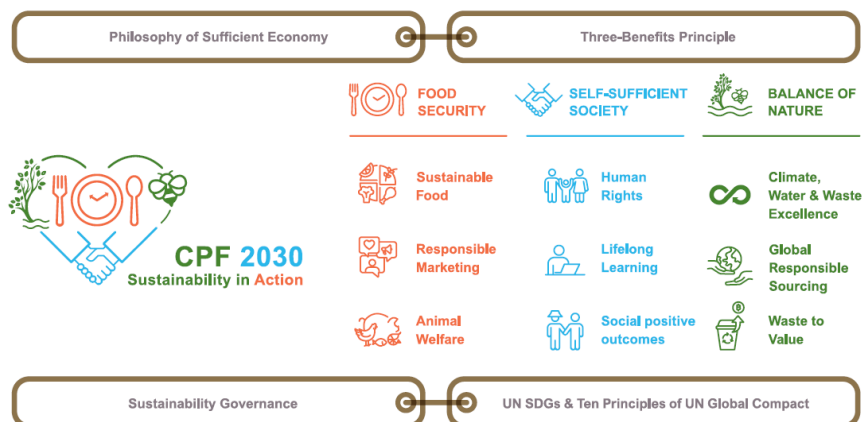
3. Driving Business towards Sustainability

At the 27th meeting of the party states to the United Nations Framework on Climate Change (COP27), one important item on the agenda was food security. About this, party states had the opinion that it hunger must be reduced as a matter of urgency, alongside fighting climate change. CPF has announced its commitment to this agenda and reviving both land and marine ecosystems. These processes promote biodiversity as the basis of food security for life on Earth.

3.1 Policy and targets of managing for sustainability

A secure and balanced food system is the important basis of developing society and business sustainably. CPF has been driving the strategy, “CPF Sustainability in Action”, which is in line with a rapidly changing global situation. The new decade must be a decade of action. There must be a push for social development in every aspect, with operations are conducted under 3 pillars – food security, self-sufficient society and balance of nature. This has generated positive results across the board under the three-benefits principles – to the nation, the public and the Company. The value which CPF is committed to giving to society is consistent with all 17 of the United Nations Sustainable Development Goals (SDGs) and the 10 Universal Principles of the UN Global Compact, under the commitment to be part of international efforts to drive sustainable development in every sector.

The Company's objectives also support the national agenda of the Bio-Circular-Green Economy or BCG Model. The objective of this is to drive national development and distribute opportunities more evenly to local communities - promoting comprehensive growth without leaving anyone behind



Additional details on CPF Sustainability Policies can be found on the company's website under Lead the Way to Sustainability

3.2 Managing stakeholder impact in the value chain

The topic of sustainability covers significant risks and opportunities (Material topics) to which CPF gives weight and has commitments. This reflects the opinions and preferences of stakeholders through reviews and assessments of sustainability in line with the Global Reporting Initiative GRI Standards 2021. These have greater integration of stakeholders' perspectives and expectations. Both positive and negative impacts throughout the supply chain must be stressed. Consistent engagement with stakeholders helps CPF to understand and prioritize sustainability risks, enabling the Company to plan and stipulate guidelines for the correct response to every business challenge.

CPF has classified stakeholder groups throughout the value chain, and summarized the sustainability topics requiring communication and exchange with each group as follows:

AMBITIONS		MATERIAL ISSUES	BOUNDARY							
			Agriculture	Suppliers	Feed	Farm and Processing	Food	Transportation	Retail	Consumers
 SUSTAINABILITY FOUNDATION	1. Governance and Risk Management		●	●	●	●	●	●	●	
	2. Ethics and Compliance				●	●	●			
	3. Data Privacy and Security			●	●	●	●		●	
	4. Stakeholder Engagement and Transparency		●	●	●	●	●	●	●	
	5. Systemic Disasters and Geopolitical Events		●	●	●	●	●	●	●	
 FOOD SECURITY	 Sustainable Food	6. Food Quality and Safety	●	●	●	●	●	●	●	
		7. Innovation and Technology	●	●	●	●	●		●	●
	 Responsible Marketing	8. Health and Nutrition	●	●	●	●	●		●	●
		9. Responsible Marketing and Product Labelling					●		●	
	 Animal Welfare	10. Animal Welfare				●				●
 SELF-SUFFICIENT SOCIETY	 Human Rights	11. Human Rights and Labor Practices	●	●	●	●	●	●	●	
		12. Employee Wellbeing, Health and Safety		●	●	●	●	●		
	 Lifelong Learning	13. Organisational Culture and Management			●	●	●			
		14. Talent Management			●	●	●			
	 Social Impact	15. Community Development and Support	●	●	●	●	●		●	
 BALANCE OF NATURE	 Climate Water & Waste Excellence	16. Climate Change Management	●	●	●	●	●	●	●	
		17. Energy Management			●	●	●	●	●	
		18. Water Management	●	●	●	●	●		●	
		19. Waste Management			●	●	●		●	
	 Responsible Sourcing for the Planet	20. Responsible Sourcing	●	●	●	●	●		●	●
		21. Biodiversity and Ecosystems	●	●	●	●	●	●	●	●
	 Waste to Value	22. Circular Economy and Packaging			●	●	●		●	●
		23. Food Loss and Waste				●	●	●	●	●

In 2022, CPF conducted a material topic assessment, addressing significant risks and opportunities as follows:

1. Food Security
2. Human Rights and Labor Practices
3. Employees and Communities
4. Water Management
5. Climate Change
6. Biodiversity and Ecosystem
7. Governance, Risks, and Compliance



More details of stakeholder engagement and material topic assessment can be found on the Company's website under "Lead the Way to Sustainability"

Regulatory framework and driving CPF 2030 Sustainability Strategy

In implementing sustainability operations under the leadership of the Chairman of the Executive Committee, CPF has clearly specified executives and working groups, or executives responsible for each commitment, to drive operations forward according to target, under the supervision of the Company's Board of Directors.

Subcommittees comprise:

- The Audit Committee (<https://www.cpfworldwide.com/th/about/sub-committee/audit-committee>);
- The Corporate Governance and Sustainable Development Committee (<https://www.cpfworldwide.com/th/about/sub-committee/corporate-governance>);
- The Remuneration and Nominating Committee (<https://www.cpfworldwide.com/th/about/sub-committee/remuneration>);
- The Executive Committee (<https://www.cpfworldwide.com/th/about/sub-committee/executive-committee>); and
- Technology and Cybersecurity Committee (<https://www.cpfworldwide.com/en/about/technology-and-cyber-security-committee>)

To drive continuous sustainability in the new strategic direction, the Company has determined a 10-year strategic plan to drive sustainability running from 2021-2030, as shown in the Sustainability Report 2022. The Company will also conduct an annual review of sustainability topics and strategic plans to keep up with rapidly changing global trends.

Food Security



Epidemic crises in both humans and livestock have impacted the economy, society and the environment. Maintaining food security is a challenge, particularly for society's most vulnerable.

CPF promotes a sustainable food system by operating under the principles of the One Health Program of the World Health Organization (WHO) to maintain food security in the face of fluctuating economic, environmental and social conditions. The Company maintains systematic biosecurity in tandem with traceability and continues to innovate to address the issue of non-communicable diseases, the top-ranking health issue in Thailand. For a sustainable manufacturing process, the Company has a target of a 40% revenue share from green products, and zero recalls of products due to public health concerns by 2030⁹. In 2022, CPF's performance against this target was 92.5% and 100%. The CPF Food R&D Center produces and delivers food to promote immunity, which is replete with nutritional value for every age cohort of consumers. It offers product innovations of plant-based protein products which are among modern consumer preferences of health-consciousness and environmental conservation, to build knowledge and understanding about sustainable consumption for consumers and promote their engagement for change (more details can be found in the Sustainability Report 2022 under the heading, "Food Security").

The Company is committed to providing high-quality and safe food to over 4 billion consumers in 40 countries worldwide. The Company can control quality and trace products throughout the production process from comprehensive control of manufacturing with Big Data. CPF is in strict compliance with food safety measures, with a target of zero product recall, and a commitment of 50% of new products to be developed for better health with better nutritional value by 2030⁹. In 2022, CPF's performance against this target was 102%. Moreover, the Company communicates to consumers transparently

⁹ Targets of Thailand's operations

and trades responsibly, to encourage consumption that is responsible and positive. The Company has developed knowledge both domestically and on international stages. It is a party to Positive Consumption for consumers worldwide as promoted by the World Business Council on Sustainable Development (WBCSD) (more details in the Sustainability Report 2022 under the heading, “Food Security”)

CPF is upgrading its business practices to be more considerate of animal welfare under the international principles of Five Freedoms, while also inculcating awareness among personnel to promote animal welfare, both on the Company’s farms and those of farmers in livestock programs. Animal welfare policy has been announced, with CPF’s global vision of using antimicrobial medication in livestock, and a committee has been established for animal welfare operations. These are to drive long-term animal welfare policy and targets. These begin with the selection of breeding stock. Raising animals in a modern closed-system farm with Smart Farming systems boosts productivity and promote animal welfare on the farm. Hygienic principles and innovations include probiotics to build natural immunity for animals that do not require antibiotics. Management of this is assessed by both internal and external agencies on a consistent basis. CPF is also committed to support engagement with renewable energy, with systems to manage the transformation of animal waste into power. Data from the system is added to supplement the database of Big Data, leading to greater productivity and quality. At latest, CPF has been ranked as Tier 3 under the BBFAW assessment, the world’s biggest farm animal welfare ranking system. The Company also collaborates with communications and exchanges of information between business suppliers, state agencies, civil society organizations and other stakeholders at both national and international levels. For instance, there is the Responsible Meat (ReMI) program in the FReSH network of WBCSD, because CPF is aware of the critical need to develop and promote good and thorough animal welfare, as a leader in the food industry. (more details are shown in the Sustainability Report 2022 under the heading, “Food Security”)

Self-sufficient Society



SELF-SUFFICIENT SOCIETY

The Company’s workforce is its most valuable asset, and CPF is committed to upholding the basic rights of all its stakeholders throughout the value chain, including employees, personnel in the supply chain, and consumers, as well as communities surrounding the Company’s premises and work sites. The Company is committed to developing and building both its own internal human resources, alongside supporting small holder farmers, and developing local grassroot economies.

CPF operates its business under the United Nations Guideline Preferences on Human Rights (UNGPs) in the responsible consideration of human rights principles in every management process inside the Company, including outside procurement. The Company has a target to conduct a human rights due diligence every 3 years, at 100% by 2030^{/10}. In 2022, performance against target was 40%. The scope of this assessment covered risks and impacts in high-risk localities for the business. The Company conducts its operations on a basis of good corporate governance according to business oversight policies and the CPF ethical Code of Conduct on the principles of fairness, virtue, correctness and transparency, in line with the 6 values of the “CPF WAY”. Training in human rights is organized for employees in every business unit, both inside and outside the country, with many courses, alongside awareness courses for workers, in cooperation with the Labour Rights Promotion Network Foundation (LPN). Over the last 5 years, training has been held for over 2,800 employees in total. Of this group, 74% were international staff. Moreover, female employees have been empowered to exercise their rights and realize their opportunities, combined with developing leadership in the Women Empowering Workshop. There exist channels of communication through a Center to record employees’ opinions which is a Neutral Organization. There is a clear process for procurement and selection of Private Recruitment Agencies. There are random checks every year to verify compliance with policy and regulations. In the national picture, CPF has supported the foundation of the Business and Human Rights Academy as a member of Global Compact Network Thailand (GCNT) together with many partners from other sectors including the Rights and Liberties Protection Department of the Ministry of Justice. The focus is on building

^{/10} Targets for both Thailand’s and overseas’ operations

awareness of rights in business organizations and developing potential by applying principles and best practice in human rights for maximum effectiveness.

The Company is aware of good mental health, which is another pillar to attain a high quality of life. The Company operates a system of flexible working hours with a Breastfeeding Corner for nursing mothers. There are clubs to promote activities to upskill, exchange experiences and hobbies, such as a Running Club, a Go Club and an LGBTQI+ club. There is an online channel to support employees' online learning together with an online application to consult on health and stress with specialist doctors and psychiatrists. (More details of policy, operations and prominent programs are shown in the Sustainability Report 2022 under the heading, "Human Rights and Labor Practices")

CPF is consistently aware of the critical importance of looking after employees' good livings, good health and safety at work. Enhancements have been made with a Bottom-Up Approach to consistently encourage learning to prevent danger and injury at work, which is fostered by building a culture of occupational health, safety and the environment (SHE&En) and including the promotion of safe behaviors among employees in the course of their duties. This is combined with a Top-Down Approach with executives being the models of Best Practice in SHE&En management to promote a safety culture through various activities. These safety operations are under SHE&En standards, which CPF has developed as a mechanism to manage SHE&En hazards and risk in a business context. These standards have been reviewed and certified by independent auditors to be consistent with pertinent international standards such as ISO14001:2015, ISO45001:2018 and ISO50001:2018. These standards have clear effectiveness and have the result of promoting engagement from employees of every level. They assist in pulling operations together in the same direction. CPF is focused on thorough implementation of these standards thoroughly, which is why assessments and certifications of operations to standard at the Business Unit/Department level are conducted by an Independent Certification Body, which follows an internationally recognized process. At present, CPF has certified over 200 Business Units/Departments for SHE&En in Thailand. (more details of policy, operations and outstanding programs are shown in the Sustainability Report 2022 under the heading, "Employees and Communities")



Additional information on positive social impacts, can be found on the Company's website under, "Our Management Approach and Performance"

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 our people shall get home safely everyday.

Human Resource Management

The "Heart of the Organization" lies within its people, the key factor driving the Company towards success and sustainable growth. Being a High-Performance Organization (HPO) at each step of the employee's Life Cycle is the goal of CPF's human resources strategy. The Company outlined its human resources plan in 2022 using the following 5 core strategies:

- **HR digitalization:** Streamlining HR procedures using technology, enhancing HR's ability to operate strategically through analyzing data proactively. Data is analyzed to improve business forecasting and decision-making, enhancing the HR service output, and boost the Company's competitiveness.
- **Leadership 5.0:** A leader in the 5.0 era must have a clear vision, be able to build upon ideas, embodies learning agility both in the aspects of speed and creation of impactful results; and be promptly responsive to the business needs. To be

effective in the face of ongoing change, leaders must arm themselves with the concepts necessary to create strategic plans. With succession planning procedures for key roles and strategic rotation that fully prepares leaders with a grasp of the broader picture, the organization is devoted to creating talented leaders with integrity in the sense of CPF's quintessence.

- **Organization Design and Strategic Workforce Planning:** Creating a flexible, agile organizational structure that can quickly adapt to the demands of business operations in the current environment, with a compacted hierarchy and detailed job descriptions. Each department effectively collaborates with the others to facilitate change while becoming continuously creative.
- **People Capability and Change Management:** Developing "decent" and "smart" individuals for them to be ready to advance in their careers and to have a broad base of knowledge. Through Technical Academy, they will be given the opportunity to learn important skills. This includes compensation and benefits schemes being restructured to be more attractive. The Company's positive images and corporate values are embedded into the employees (Employer Branding). Partnerships with educational establishments are paving the way to prompt the new generation of the Company's personnel to be prepared for further driving CPF business strategies, resulting in developing for the Country competent personnel fostering innovation and creativity, and driving towards sustainable growth.
- **Culture and Engagement:** Fostering a culture of love and loyalty towards the Company among employees. To properly enlighten outsiders, employees are inculcated with knowledge and comprehension of the Company's operations. Various programs have been **launched** in line with the 6 Values of "CPF Way", providing opportunity for its employees to contribute to a better society as a whole.

By promoting equality, combating discrimination, and putting an emphasis on the policies and practices that best uphold human rights, the Company is also conscious of the significance of respecting human rights in a concrete manner while implementing the five strategies outlined above. This ensures employees' confidence in that employment and labor management is conducted in compliance with human rights principles across the Company's value-chains. Details are further elaborated in the following sections.

1. HR Digitalization

With regard of the organizational management in a rapidly-transforming society, the Company has to rely on the cooperation of all sectors to drive transformation in every operation. This encourages the building of a new corporate culture of adapting to change. Furthermore, the Company places importance on HR Transformation, which improves working operations by adopting digitalization throughout the process from manpower planning and recruitment, to performance management, to enhance employees' capabilities suitable for their responsibilities. These will drive the Company to achieve its business goals and to efficiently enhance competitiveness. Moreover, the Company strives towards developing a Digital Human Resource Organization, which aims to cultivate the building of a corporate culture appropriate to the 4.0 era, in which technology plays the key role in the business landscape. Upon this, employees can also utilize communication tools and programs enabling them to work conveniently, save time and maximize their potential in effectively planning their tasks.

In 2022, the Company's HR Department adopted digital technology of using the SAP SuccessFactors system under HR-eXp system to apply in the HR Processes throughout the Employee Life Cycle. The program helps to reduce working time on administrative tasks by 20% and increase by 22% of working time on strategic business. These can support the line managers to become the People Managers and allow employees to manage their personal data effectively, and able to self-access and process different HR services through "Employee Self Service" with the following details:

- **Recruitment and employees' selection:** Heads of department managed to seek and monitor manpower, while defining the required qualifications of employee through the HR-eXp system. They can also monitor the recruitment progress that responds to the "Manager Self Service" Module. This includes onboarding system, which enables heads of department to introduce the new-recruits to the organizational structures and to the goals of the teams,

assign coaches to new employees. Attention is given to new employees through welcome messages set out through the program before their starting date. This is another means and channel to have Employee Engagement enhanced.

- Employee Development from fundamental skills to future and other essential skills. Allowing employees to explore the training courses on Self-Learning Module. Meanwhile the line managers may recommend the courses suitably adaptable to their subordinates' assignment and performance directly on this system. Furthermore, the system allows employees to establish their Career Development Plan and define an Individual Development Plan to improve the necessary knowledge and skills for both present and future business endeavors. The performance evaluation is considered for remuneration and compensation management, as well as annual salary adjustment.
- Performance evaluations are consistent with fair compensation, in the form of a 360-degree assessment. The employee sets individual goals, which are in line with the organization's goals. These are monitored and assessed by line managers, who collectively provide feedbacks through the system.
- Succession Planning: Utilizing the information to analyze employees' capability and readiness to plan for succession in key positions, and workforce planning to prepare employees and executives' readiness for their future positions.
- Time Management: Enabling time management transactions such as scheduling tasks and assignments, seeking and approving leave of absence, and recording working time on the system. This reduces the amount of paperwork and reduces processing time even further. Both employees and supervisors may access the time management log through Employee Self Service.
- Remuneration and compensation management: Enabling verification of various transactions, helping expediting the salary data management, and reducing paperwork and human error. Moreover, it allows employees to review their Payroll Slips through Employee Self Service.
- Personnel information management: Managing personnel data through data analysis in terms of predictive and advanced analytics e.g. Turnover Rate in Interactive Dashboard with SAP Analytics Clouds (SAC) on the SAP SuccessFactors system.

The Company expands and continuously operates HR-eXp system in its overseas businesses. Vietnam is the first country with access to HR-eXp since November 2022, the expansion is planned to cover Malaysia and Cambodia within 2023.

In 2022, the Company conducted employee satisfaction surveys on the SAP SuccessFactors system with the HR-eXp system. Employees' satisfaction on the utilization of the system was 88.2%, and the adoption rate was 99.2%. This demonstrates that employees appreciate the application of digital technology employed as part of the human resources work processes.

2. Leadership Succession Planning

Succession planning

The Company gives priority to succession planning, as it is vitally important for ensuring the continued success of business, and mitigation of the risks in manpower shortages, hence its effort to seek out and develop talents to fulfill critical roles in the future. The Company has defined the critical positions which have significant impacts on the organization's capabilities in driving the business with high strategic impact. These consist of critical positions according to the organization structure, namely the CEO and executive level (CEO-1 and CEO-2) who play key roles in driving the business; the Scarce Resources, who are in need in the labor market due to the requirement of specific expertise and skills, but playing a significant role in the main business operations; as well as some positions at the CEO-3 level involved in the key business units. In the case that the replacements for these critical positions could not be fulfilled, the business operations could potentially be impacted. Identifying the critical positions in the organization helps executives to see which positions are at risk and require successor fulfillment. Regarding this, if a critical position lacks

the suitable internal candidate, the Company will resort to external recruitment through Market Mapping among the qualified candidates to ensure the issue is covered in a timely manner.

In preparing succession plans, the Company uses a world-class standard tool to create leadership profiles in selecting employees with high potential, exceptional performance and high levels of knowledge, experience and leadership. They are filtered through the 9-Grid box tool which considers the perspectives of leadership potential, and performance of employees. The candidates who pass the pre-qualification assessment must complete the Ability Test and the Experience Survey. The list of potential successors must then be approved by the People Management Committee, which is appointed to review the list of successors every year.

In 2022, the Company prepared its succession plan for a total of 209 key positions, including the CEO position. In this regard, the Individual Development Plans (IDP) were prepared for 100% of the successors, and they were subject to preparedness prior to assuming the new position through the “CPF Leadership Program”, in collaboration with various high-level training institutes. Such program includes assignment to manage special projects, short-term secondments, and strategic project management with the Company’s Executives. The Company has also adopted methodologies through the leadership modeling so-called “Job Shadowing”, and has systematically planned on Strategic Rotation, enabling successors to be prepared in assuming the targeted positions.

Development of Decent and Talented Personnel through the Leadership Program

The Company places a significant importance on developing its employees to be the Decent and Talented Personnel in the sense of CP’s quintessence while asserting and demonstrating leadership. The Company therefore focuses on developing leaders in terms of knowledge, skills and attributes aligned with 6 Core Values under “CPF Way” and the organization’s goals, through the method of “Leader Developing Leaders”, by which experiences have been passed on from one generation to the next, while providing opportunity to learn and gain hands-on experiences in a similar pattern of thinking and acting as a business owner with an entrepreneurial mindset, to solve problems from the real situations, and to practice leadership capabilities through the Leadership Development Program (called in Thai “Tao-Kae Program”). Currently, there are more than 120 projects covering the Company’s business operations from upstream to downstream, in order to systematically develop talented employees through managerial skills. A Project Sponsor is assigned and plays a key role in giving advice and suggestions, to guide and not to direct. It is a method to develop talents by providing them with opportunity to demonstrate their potential and support without limitations or conceptual and operational boundaries imposed to them. The evaluation is put in place while allowing participants to take their time, with scrupulous attention to details and collective team-work engagement. The Company has set out learning channels to equip the new generation of leaders with knowledge through various accessible courses whenever needed via an online learning platform or so-called “On-Demand Learning”; For instance, “Wet Market’s Tao-Kae” Handbook, Product Specifications, etc. In addition, they are also equipped with technical and functional skills essential to perform their functions through such development courses as Professional Consultative Sales Skills, Negotiation Skills, Goal Setting for Success, Target-Oriented Strategies, Solutional Decision Making, and Project Sponsor Development Programs, etc. At present, over 1,300 employees have participated such programs.

In addition, the Company has also granted a total of 80 scholarships to its employees and their off-springs across its domestic and overseas operations. There are currently 12 scholars receiving education, consisting of four overseas master’s degrees scholarships, seven domestic master’s degree scholarships, and one scholarship for domestic bachelor’s degree. The scholarship scheme aims to accelerate developing personnel with prospective skills, as it helps to expand the businesses and specialists and experts to take up critical job positions and functions beneficial to the country yet remaining scarce in the labor market.

3. Organization Design and Strategic Workforce Planning

Organization Design

In 2022, in order to become a “High-performance Organization”, the Company implemented the “Lean Management Structure Program” to improve its business processes and operations. The so-called Organization Delaying resulted

in fewer organization layers and a more appropriate number of direct reports that a supervisor is responsible for (Span of Control). This has enabled agility in decision-making and performance. The definition of roles and responsibilities has become more precise and the setout of key procedures more concise, while promoting collaboration between different business functions (Role Clarification and Collaboration). This has led to an organizational culture where employees are empowered to make decisions as well as manage and perform the assigned tasks autonomously, leading to self-development and possession of adequate capabilities suitable to assume their roles.

In addition, the Company has targeted to broaden its “Transformation to Modular Organization” Program across its business operations. This promotes a working culture of cross-functional collaboration, result-oriented mindset, and flexibility. Cross-functional evaluation systems are put to use in support of the Modular Organization Program.

Strategic workforce planning

The Company has analytically conducted strategic workforce planning in coverage of both businesses operations in Thailand and overseas in direct correlation with its current business plans and strategic directions in future plans. The Company has adopted the “6 Rights” Framework by Korn Ferry, a leading international consultant, to plan its workforce covering relevant dimensions as follows:

1. Right Size: Efficiently and effectively setting targets for the workforce adequate to business operations.
2. Right Shape: Organizing workforce structure and design by determining the span of control and alignment of job functions with job level as well as managing workforce governance, which is mandated to be in compliance with to the entire organization.
3. Right Skill: Setting workforce development plans by considering attributes of the work and analyzing the future skills as well as getting prepared to drive the Company towards its targeted business goals.
4. Right Source: Deploying automation and technology to reduce labor costs, increasing efficiency and ensuring security in business operations.
5. Right Site: Determining an adequate and appropriate workforce with the necessary skills to meet the business demands in each location.
6. Right Spend: Analyzing the appropriate workforce costs for business productivity to grow.



To reflect its commitment in managing workforce demand and workforce supply at a maintained balance, and to drive forward its implementation of the Strategic Workforce Planning Program by the same standards across its operations and in an efficient manner, the Company has deployed the results obtained from the workforce analysis to set out Key Performance Indicators (KPIs) for all business units. This is to measure business productivity with comparative approach of best practices among peers in relevant industries.

The Company has also deployed SAP Analytics Clouds technology, a digital tool which enables improving the efficiency of workforce analysis, resulting in more accurate, prompt, and traceable workforce planning with consistency from

upstream to downstream. It also helps to simulate business models promptly as required for operating businesses in the modern age of constant and rapid change.

4. People Capability and Change Management

The Company recognizes the importance of employees and deems to enhance their capabilities to be ready for the upcoming 4.0 era where there will be no place for general-skill employees but talented employees with diverse knowledge. The Company employs three strategies, which consist of recruiting and building personnel to be ready with future skills at the international level, developing personnel and creating a global vision.

Recruiting and building personnel to be ready with the prospective skills

The Company has been developing talented employees through continuous recruiting and selecting (so-called Proactive Recruitment), in strict compliance with its policies and implementation guidelines relevant to fair recruitment and selection of its new hires without discrimination. It is noteworthy that the Company also places importance on diversity and inclusion, as well as equality in co-existence. The directional strategies upon which the recruitment of talents with integrity is practiced and processed are as follows:

- **BUILD: Reskill and Retool:** Coordinating with educational institutions to develop the knowledge and capabilities of students through collaboration on course development structured to ensure that students have opportunities to learn from case studies. For instance, the young software developers' program leads students to develop software from real business cases from CPF, allowing them to learn and discover problem-solving skills applicable in real cases. The programs gear to elevate Thai education by contributing knowledge, expertise and experience from the business sector in the forms of training and practical applications. Students in this program will work with the Company as part-time or full-time plans. At present, the program has been continuously expanded to six pilot universities, including King Mongkut's University of Technology North Bangkok, Kasetsart University, Suranaree University of Technology, Prince of Songkhla University, Silpakorn University and Mae Fah Luang University. The program aims to get the new generations to create and implement technology to improve the agricultural and food industries, and learn through solving real business cases.

CPF has encouraged over 200 students to acquire job experiences through various internship programs such as the Summer Internship Program, Cooperative Education and Bilateral projects, with an emphasis on Project-Based Learning. This has allowed the Company to recruit potential personnel to join it with the rate of 21% trainees having become its new hires.

CPF has various collaborations with leading educational institutions, such as supporting vocational qualifications for students by handing over Five-Star branded restaurants to educational institutions, for them to learn about store management, and develop entrepreneur skills, which can serve as a pilot project leading to career development in the future.

- **BUY: Talent Attraction:** The Company continuously recruits talented employees and selects external executives with specialization in specific fields or skills proved to be scarce in the labor market, or those equipped with prospective skills, through various channels, i.e., business unit Talent Mapping through exploration and examination of a list of external executives and experts in Thailand and in foreign countries. This aim is to prepare for workforce planning that is consistent with business expansion, including high-performance employees to be selected and integrated into leadership development programs, focusing on a recruitment and selection process in a fair and transparent manner in accordance with the standards.
- **BORROW: Strategic Rotation:** Staff-members within Charoen Pokphand Group or outside the Group being transferred to work in another Business Unit or department. They are generally experts with qualifications specific to the nature of work, in which they can help develop the Company's employees' skills which are enhanced and strengthened, so that functions in particular fields can be performed effectively.

The Company has developed recruitment channels through an educational network, various social media, and relationship-building and networking through collaboration programs with leading institutions both in Thailand and abroad. This includes developing the potential and experience of students in the way that they match with the labor market expectations and while developing prospective skills, all of which aiming to drive the Country's strong growth. Examples of efficient channels for recruiting employees are as follows:

Referral Program

The Company has initiated the "Friend Referral Program" for current employees to have engagement with the selection process to recommend friends to become part of the Company. This efficient recruitment channel is swift and cost-saving. New employees recruited from Friend Referral Program are able to adapt to the corporate culture well which enhances work satisfaction and reduce turnover rate. This also establishes a corporate culture and cooperation in recruiting talented employees who meet the organization's expectations. The success rate of the channel is approximately 3:1.

Internal Recruitment: "Chance for Change Program"

The Company recognizes the importance of its employees having aspiration and their career advancement. Therefore, the Company provides the opportunities for employees to apply for vacant positions through the "Chance for Change Program". The Company realizes that current employees have knowledge, experience, skills and capabilities in several fields, and have been familiarized with the corporate culture and the 6 Values under "CPF Way". The Company therefore presents learning opportunities as well as employee development and upskilling, leading to employees being rotated to new positions. This program is aimed at fostering good corporate culture and promoting "Talents of Integrity" quintessence of the Company to be sustainably embedded, enabling career advancement of employees. On "Career Aspiration" Module, they are brought to determine whether their potentials and skillsets are a "good fit" according to their professional goals and expectations.

Employer Branding

According to Employer Branding Strategy, the Company has initiated "building the employer brand from within" by placing importance on human resources management which is consistent with business strategies and employees' expectations. The Company's values have been disseminated through various activities aiming at to promoting corporate culture, building aspiration and pride in being part of the Company's success among target group of employees. The Company has also communicated to outsiders various proudest stories and moments in terms of knowledge management, pleasant working environment, diversity and inclusion, security, business growth, and successful teamwork, including social responsibility, through three main online channels which are LinkedIn, LINE Official and Facebook Career Page. This has resulted in a strong Employer Branding, which succeeds in attracting high-performing candidates for new hires, strengthening employee engagement within the organization, and projecting positive reputational image to the society as a whole.

People Capability Development and Global Mindset

The Company focuses on developing employees through enhancement of their essential knowledge and skillsets to be responsive to current business operations contexts driving towards fully-transformed digitalization. The Company also promoted a culture of "life-long learning" as an integral part of the organizational culture among all employees, leading to the Company's sustainable growth. The learning and development programs are divided into 4 categories as follows:

1. **CPF Fundamental Program:** In 2022, All employees completed basic compulsory courses aimed to provide them with basic knowledge set on the 6 core values under "CPF Way" and implementation guidelines under "CPF Code of Conduct" and the Corporate Governance, as well as how CPF businesses are operated under "CPF Integrated Value-Chains" and its Sustainability Strategies. In relation to the digital skills, fundamental digital courses were provided including Digital Literacy 100, Cyber Security, and the Personal Data Protection Act (PDPA). In 2022, over 21,000 employees took these compulsory courses in total of 170,000 hours of training.

2. **Future Skills Program:** This is a group of courses designed to develop personnel enabling them to have the knowledge and future skills which are essential for the Company's short-term and long-term success, with an emphasis on potential skills required to perform work in response to the Company's growth. The future skills program is divided into 2 groups as follows:

2.1 Future Skills: Digital Skill Focus: These programs aim to develop digital knowledge and skills at three levels: Basic, Standard and Advanced. Skills at three levels are targeted to lay the foundations for digital knowledge and build the skills relevant to the adaptation of technology across its business operations. The digital skills development plan covers essential skills essential to work in the digital age covering seven key areas: Digital Essentials, Digital Marketing, Data Science & Data Analytics, Business Innovation, Digital Security, Customer Centricity and Digital Technology. In each area, there are over 60 courses to support development at each level.

In 2022, the Company provided its employees with Digital Skill 101 program, including Agile Mindset, Design Thinking, Data Analytics and Digital Marketing. Over 15,000 employees took this program.

For Standard and Advanced digital skills, the Company has held a program developing specific target groups with:

- Digital Foundation Course: Covering essential skills in the digital age. 1,300 employees were selected to participate in the Company's Digital Transformation program.
- Data Analytics Boot Camp focused on essential data analysis to promote business growth in the digital age. The Company has collaborated with leading data analysts to design a learning path. Participants were expected to participate for 3 months. The program used various methods of training including Self-Learning, Hands-on Workshop and Hands-on Experience of the actual business cases. 71 employees in this program have become data champions of their business units. The Company has also provided the Data Analytics Essentials course for over 600 employees and the Leading with Data for Strategic Decision Making course for over 200 executives. This will gradually drive the Company to become a Data-Driven Organization.
- The Lean Process Improvement Bootcamp and Total Productive Maintenance (TPM) aim to promote operational excellency. Both courses are organized to drive the Company's strategic targets to increase process efficiency, reduce costs and unnecessary procedural steps. In 2022, 345 employees completed these two courses, resulting in more than 9 MB cost savings.

2.2 Future Skills: Non-Digital Skills: The Company is dedicated to building employees with a global mindset and capabilities to deal with Company's future growth. In 2022, the Company organized future skills courses such as Critical Thinking, Resilience, Agile Project Management, Creativity and Innovation, Communication in New Era and Customer Centricity. Different learning approaches were adopted such as e-learning, Virtual Training, Group Reflection, and On-the-Job Training. In 2022, 9,000 employees completed these courses.

3. **Managerial & Leadership Development Program:** The Company targets to develop leadership skills for managers at every level to expedite their capability in developing potential leaders for the future. The program focus on reaping the foundation of the People Manager within its executives, to have them geared with attitudes and skills in strategic planning as well as to be the driver of change. Hence, the development of the program to advance the leaders in each unit who are unique according to the challenges they have to face at their level of control which can be outlined as follows:

3.1 Executive Level: The Company provided CPF Executive Acceleration Program, which focused on promoting leadership among the new generation. The Program is comprised of three modules: 1) Business Envionier 2) Digital Disruptor and 3) Leadership Cultivator. The program adopted Project-based Learning for a period of 5 months. In 2022, 45 executives from around the world attended this program. In addition, the Company also

provided 19 senior executives with special external training from leading institutions such as National Defence Council Curriculum, CMA-GMS from Capital Market Academy, Agriculture Ministry's ACE-MOAC, Digital CEO, Digital Transformation Exponential, Executive Development Program (EDP) and Leadership Succession Program (LSP).

3.2 Management Level: In 2022, the Company provided CPF Leadership Acceleration Program to develop the leadership skills related to business transformation. 33 executives attended this course in 2022.

3.3 People Manager: This program emphasized basic managerial roles: Selecting Talent, Managing Performance, Developing employees, and engaging people. In 2022, more than 2,668 managers attended this program.

4. **Technical Skills Program**: The Company promotes the development of technical skills through technical academy and knowledge management. The Company encourages and supports each business unit to set up technical academy and knowledge management. After the establishment of technical academy, employees will be enhanced according to their competency, aligned with their assigned goals and the business directions. In 2022, the Company established 23 technical academies, and 6 more businesses to set up their technical academies in 2023. Moreover, the Company has stimulated knowledge sharing among employees through the Learning Community System. This allows the Company to extract experience of employees and pass onto other employees in various forms such as e-Learning, video and infographics.

In 2022, the Company continued to encourage every employee to complete their Individual Development Plan (IDP) on the HR-eXp system. This is to prepare them for their career growth. To support the IDP, the Company provides more than 500 e-learning courses. Employees and line managers can thus choose courses relevant to their preferences and needs. The progress of training can be tracked on the HR-eXp system at any location and anytime via any electronic device such as computer or mobile phone. These will gradually change learning behavior of the employees and create a culture of lifelong learning. In 2022, Average hours of training for Staff up level makes up to 32.62 hour per person per year and 22.32 hour per person per year for all level of employees. This number has increased in comparison to the year 2021.

Managing attractive compensation

With the determination to develop and drive the Company to become a High-Performance Organization (HPO), the Company realizes the importance of the capabilities of each employee, and management of compensation on a basis of fairness, transparency, and performance. Therefore, the Company has provided various benefits as follows:

1. Fair Compensation

One of the strategies for maintaining competitiveness is the consideration of compensation and benefits which are aligned with performance and new technology to promote a High-Performance Culture. The Company has processes to analyze and compare data in terms of compensation policy and regulations, together with the standardized criteria and tools from leading global HR consultants to help deliver results to employees with accuracy. In terms of operations, there is an annual review of the compensation plan, which is crucial in building and maintaining employees' levels of motivation and engagement, promoting, and incentivizing decent and talented employees to stay working with the Company, leading to efficiency in the human resources management.

Moreover, the Company has studied the cost of living data (Living Wage) by comparing the data to best practice on both national and international levels. The Company is fully aware that enhancing the living wage policy will bring about positive impacts to employees, the Company, and the national economy; improve the employees' quality of life, boost purchasing power, reduce turnover rate and expenses, and create business opportunities which benefit the overall economy of the Company. In 2022, for the operation in Thailand, the company has compensated its non-management level employees in 1 : 1.15 female to male ratio.

2. Benefits

- Improvement of annual health check program according to the span of age of the employee and providing appropriate health information and knowledge to employees. With the strong cooperation of companies under CP Group and “MORDEE” smartphone application, staff can obtain treatment and deliveries of medication to their homes, without having to make a visit to the hospital.
- Providing extra benefits of paternity leave for male employees, as the Company is attentive to all key aspects of every employee’s life.
- Flexible Working Hours where both line managers and employees agree on a flexible work schedule as long as there is no consequence to the business, work assignments, productivity or expenses.

3. Wellness

- Hosting seminars on the topic of how to manage work-related stress through both online and offline media, providing recreation activities while building relationships between the employees and their families through 17 wellness clubs, such as: Badminton Club, Family Club, Savings and Investment Club, Pet Lovers Club, LGBTQ+ Club, etc.
- Partnership through an MOU with companies under CP Group to provide products and services at special rates, such as: discounts on food products, telephone fees, and mobile devices. Providing a “clinic” for indebted employees called “Happiness with No Debt”, in collaboration with the Government Housing Bank and the Islamic Bank, to assist with expenses and debt, providing house mortgages at special interest rates and welfare assistance in case of damage from natural disasters or accidents.

4. Rewards & Recognition

- Campaign “Appreciation for Good Deeds” – giving accumulated points in the form of various future benefits through the On Spot Reward program.
- Campaign “Praise and Compliments” – creating innovation in the Company through the I-score program. A total of 18,179 programs have been accomplished in 2022, which can be divided into three categories: 1. Improvement (14,047 programs) 2. Invention (129 programs) and 3. Innovation (38 programs).

Managing performance and career progress

A performance Management System is one of the crucial mechanisms to enhance the Company’s competitiveness for long-term sustainability. Moreover, such system enhances employee performance and capability through hands-on work experiences to meet goals and objectives. The Company has determined clear and transparent criteria for performance evaluation through stipulations of objectives and Key Performance Indicator (KPIs) that are in alignment and is cascaded from the corporate to the individual level. Such evaluation is closely linked with the compensation scheme which is awarded in a fair manner based on the performance. The career opportunities are provided to all employees without discrimination. Employees with good performance will be compensated with a degree of difference from the others, which may be in the form of annual pay raises, discretionary pay adjustments during the year, or rewards. By the same token, the Company prepares a Performance Improvement Plan (PIP) for employees with substandard performance to bring performance up to the standard. This operational guideline reflects the Company’s determination to give employees opportunities to improve their performance. In addition, the Company emphasizes consistent performance development through the process of Coaching and Feedback to provide career opportunities for continuous growth both within the field or outside the field for the capable personnel.

5. Culture and Engagement

Building a resilient organizational culture

The Company places the importance on building a resilient corporate culture through focusing on developing Decent and Talent Personnel with integrity, love, and pride in the Company. Our people have the attributes of dedicating themselves to high-quality work based on fairness, love, ethics and corporate governance. The Company adheres to the 6 Values under “CPF Way” which serves as key drivers of its corporate culture and comprises: (1) Three Benefits to

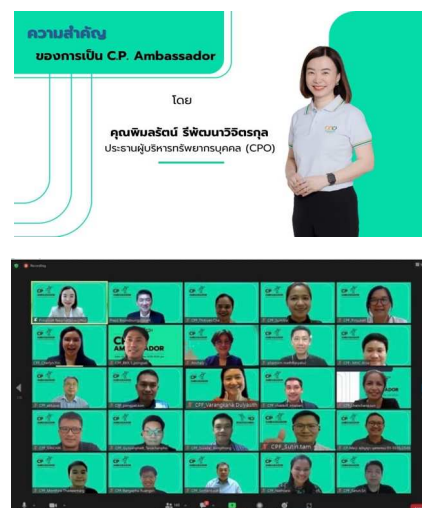
Sustainability (for the Country, for the People, for the Company), (2) Speed and Quality, (3) Simplification, (4) Adapt to Change, (5) Innovativeness, (6) Integrity, Honesty, and Reciprocity.

The Company instills organizational culture through the 6 Values under “CPF way”, embedded among employees through awareness and acknowledgement. They are implemented via CP LOVE Platform across business operations on the principle of the 3Ps:

1. Process: The systematic process of communicating with employees, with models and methods of communication to disseminate knowledge, experience, and vision to employees at every level of the Company.
2. People: Employees act as role models fostering the 6 Core Values: CP Ambassadors and CPF Working Team who perfectly understand and set as an example while implementing the 6 Core Values across business operations. They also launched activities promoting and building the corporate cultures with diverse ideas and initiatives.
3. Platform: The Company has set out platforms serving two-way communication, containing important and essential information and promoting knowledge sets as well as receiving the employees' suggestion, resulting in effective and efficient platform.

The CP LOVE Platform helps promoting behavior and the Company's values to employees. The platform is focused on increasing the efficiency of communication, rewarding and recognition, respecting to the employees' opinions, and promoting virtues according to the 6 values of the CPF way, with the following details:

- Loyalty: The concept aims to nurture an atmosphere of mutual compliment among employees within the organization, to promote the Company's goods and services, and to encourage employees to conduct themselves according to the values develop appreciation and pride, as well as feeling recognized resulting in loyalty to the Company and its offers.
- Omnichannel: The concept aims to communication of the Company's positive developments through time, which can be used to protect the Company's reputation.
- Volunteering: The concept aims to uplift the generation of engagement among employees at every level through CSR activities targeting to protect the world and the environment, support job creation and increased incomes, so as to improve quality of life within the community in alignment with the 3-Benefits Principles.
- Education & Empowerment: Appointing the Company's role models of corporate values, the group of 310 CP Ambassadors who serve as the Company's Change Agents have received the accurate facts, information, understanding, and knowledge from the CP Ambassador training courses upon the 6 Core Values. In 2022, 100% of the CP Ambassadors have received training under this plan, learned about the Company's operations, and joined forces with other companies under CP Group, creating incentives for love and loyalty to the Company. The desired good result from the Ambassadors is to be leaders of change, spreading out the 6 Values, including love and loyalty to the Company, among colleagues.



Inspiring loyalty among our employees

Throughout 2022, the Company has continuously increased employee loyalty through “CPF@Heart program”, which is comprised of the “CPF We Care program” and the “CPF Love&Share program”. The two programs are the supporting factors, which lead to building employees' loyalty to the organization and good working experiences. The details are as follow:

1. CPF We Care program consists of 4 main areas including:

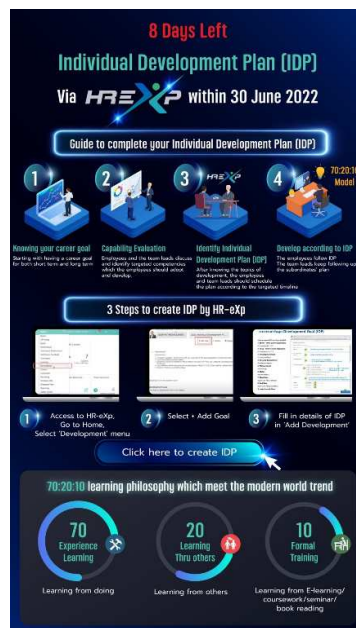
1.1 Care for Benefits: focus on welfare activities and employee compensation, some of which are projects as follows:

- Debt Relief Program aims to reduce employees' debt burdens. In 2022, there were 61 training sessions organized and attended by 1,534 employees
- Providing knowledge in the matter of managing debt and developing financial coaches to give advice on efficient management of debt
- Scholarship Program for employees and their off-springs with the targeted budget as follows:
 - 20 Masters scholarships abroad
 - 20 Masters scholarships in Thailand
 - 40 Bachelors scholarships in Thailand



1.2 Care for Career: focusing on career progress for employees with programs as follows:

- Creating understanding of setting operational targets and self-development plans



- Supporting 100% of employees to set operational targets and self-development plans
- Raising awareness among employees' as how to plan one's career path
- Programs which develop employees in various areas to promote knowledge and skills of the future, digital skills and other skills essential for work and career growth
- The Im Ru platform for self- development and sharing of various areas of knowledge



1.3 Care for Culture: promoting culture with projects as follows:

- Focusing on promoting a working culture which gives suggestions rather than orders, being leaders in team management, and giving opportunities to the younger generation to try out new things and not being fixed to existing frameworks.
- The immediate recognition to employees whenever they demonstrate praise-worthy performance with On-spot Rewards: the Company has implemented the program, “Rewarded on the spot, no need to wait”, which carries on from 2021. The project seeks to promote the instant appreciation of colleagues for their admirable actions. Colleagues and line managers may give compliment to employees who work in accordance with the 6 Core Values under CPF Way. This program is implemented with the application “CPF Connect”, which enables the reporting of the values and behavior of one employee praising another. Over 6,000 employees joined this program, and praise was given on over 60,000 occasions. This program is a part of activities to promote the Company's values, resulting in a culture of praise, which will result in overall greater loyalty to the Company among employees.



1.4 Care for Well-being: focusing on employees lives with programs as follows:

- The program aims to improve well-being for employees in their work places and at home. “Health Talk Session”, “Stress Management Session”, “Mental-Health Management Session” are included in the program. The Company has been aware of developing Wellness at the workplace by arranging rooms for breastfeeding mothers to have a place to store pumped breast-milk to promote continuous breastfeeding. There has also been awareness raising and knowledge provided for expectant mothers and new mothers immediately after giving birth to care for health of both mother and baby correctly, including how to breastfeed.



- In regard to mental-health and emotion development, the Company has held a wide range of activities for employees through the establishment of 17 recreational clubs with many activities such as:
 - o Sports clubs: Football, Badminton and Go
 - o Recreational clubs: Food Tasting and Tourism
 - o Clubs to promote Wellness: Family Club and LGBTQ+ club

Each club holds activities all year round to promote its members to engage in communal activities to create bonds among colleagues, and engagement with the Company through their favorite activities.



- Communicating regarding best practice and assistance to employees during the COVID-19 situation and natural disasters



- Preventing infection of COVID-19 such as vaccination against COVID-19 procured by the Company, along with free herbal remedies and face masks for staff and executives.



- Flu vaccines for employees during the pandemic situation

The Company also hosts activities which meet the needs of promoting physical, mental, and emotional enhancement such as religious offerings, meditation and chanting as well as the MorDee application, which is a service of online medical consultation for all employees. The application provides health advices physically and mentally, while also

giving suggestions on how to behave in various cases. The application is an innovation helping to promote employees' access to preventative measures and ensures that its employees are healthy in every aspect.



2. CPF Love&Share program

- Providing exclusive privileges and discounts on products and services under the CP group for employees and their families, such as:
 - Discounts on restaurants in retail outlets of the Company
 - Exclusive privileges of discounts on service charges and mobile devices across the TrueMove H network
 - Exclusive privileges to purchase of automobiles such as products of the MG Brand

The Company recognizes the importance of rights, freedom, and equality through promoting diversity and inclusion among employees under the Diversity and Inclusion (D&I) Policy. There are also channels through which the employees can give suggestions for the revision of the Policy in a way to improve and include more diverse groups of people in terms of gender, race and religious beliefs. The LGBTQ+ Club has driven and promoted the awareness of gender equity on the principles of diversity and inclusion in workplace through the seminars and panel discussions.

The Company has conducted employee engagement surveys continuously since 2018. In 2022, 97% of employees participated in the survey. The Company conducted an analysis of the survey results on the elements having driven towards employee engagement and factors that are subject to improvement to enhance employee engagement, both at organization level and the business functions. The employee engagement score of 2022 is 64%. This figure is relatively lower than the previous survey due to the decreased employee engagement tendency which has been affected by external factors such as the pandemic situation. Nonetheless, the company will take these survey results to create the new projects, activities, communication plans to enhance and improve employees' experience and engagement. The determination to uplift employee engagement levels has resulted in a voluntary turnover rate of employees in 2022 of 22%, reduced from 2021.

Driving Business through the principles of good corporate governance

CPF Code of Conduct

The Company strongly believes that good corporate governance and compliance with relevant laws and regulations is a solid foundation for the Company to achieve success sustainably, building and instilling confidence among all stakeholders, leading to social trust.

The Company is therefore operating its businesses on the basis of good governance, in accordance with its "Corporate Governance Policy" and "CPF Code of Conduct" providing solid foundation of strategies to sustainable growth in fairness, righteousness and transparency in alignment with our CPF Way.

The Company has constantly revised the contents in substance as well as the implementation guidelines in "CPF Code of Conduct" to reflect the situation in context. It has been disseminated to Directors, Executives and all employees through a diverse range of communication channels such as Business Unit meetings, the Company's Website, "CPF Connect" Application "HR Web Portal", induction courses for new employees and e-learning training sessions. Executives have also been encouraged to be a good Role Model and set an example for the employees, while regularly monitoring and assessing performance for continuous development and improvement.

In 2022, all CPF personnel of every business unit in both Thailand and overseas operations underwent and received training on “CPF Code of Conduct”.



Posters promoting Anti-Corruption Policy



Posters communicating implementation guidelines related to the conflict of interest with example cases

In 2022, CPF set out its “Conflict of Interest Policy”, which specifies precisely what constitutes the relevant matters which are classified under “Integrity” on “CPF Code of Conduct”. The objective is for its personnel to realise and avoid any actions that may cause a conflict of interest between the Company’s interest and one’s own personal interest, through implementation guidelines clearly stated in the Policy.

Respect for Human Rights

CPF is committed to respecting, promoting and protecting human rights across its business operations in all aspects, considering values and dignity of each individual and groups of individuals equally, which is the underlying ethics of working and living together. The Company has placed great importance to the management of human rights through relevant policies that are in accordance with international principles.

Since 2016, the Company has engaged in the Human Rights Due Diligence Framework (HRDD), covering all groups of stakeholders including those vulnerable. The framework consists of assessment and analysis of human rights risks, risk management, continuous monitoring and comprehensively reporting performance. This includes development implementation guidelines to manage grievances, if any, so as to reduce potential negative impacts in a timely manner.

● Policy Commitment

The Company is committed to operating its businesses ethically on the basis of good corporate governance and compliance with the relevant regulations and legislation of every country where it operates. The Company, therefore, set out policies and implementation guidelines to manage and deliver performances related to human rights, to ensure equal and fair treatment, protection and respect for all employees and stakeholders of all groups. The Company also promotes freedom of expression, including the right to association and collective bargaining, fair compensation, as well as fosters protection of vulnerable groups, leading to mitigation of risks of human trafficking, forced labour and child

labor. Discrimination and harassment of any forms is to be eradicated with a zero-tolerance approach. Our human rights performance is concordance with international principles:

- Universal Declaration of Human Rights (UDHR)
- UN Global Compact (UNGC)
- UN Guiding Principles on Business and Human Rights (UNGPs)
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work

The Company has integrated human rights principles into its business operations in collaboration with entities from all sectors covering stakeholders of all groups, enabling CPF to identify and realize what different groups of individuals have as expectations from the Company. Such expectations are used as the foundation in setting out policies and implementation guidelines to manage human rights issues across CPF operations, under its mission to ensure food security while creating positive impacts and bringing benefits to local communities, society and environment. This covers both Thailand and overseas operations as well as joint ventures, driving the society as a whole to grow sustainably.

Apart from internal CPF operations, the Company has expanded the scope of human rights performance and labor practices to cover the operations of its business partners and suppliers across supply-chains. The Company has disseminated its policies relevant to human rights to all its business partners and suppliers so that they acknowledge, realize and apply the principles and practices to their own operations.

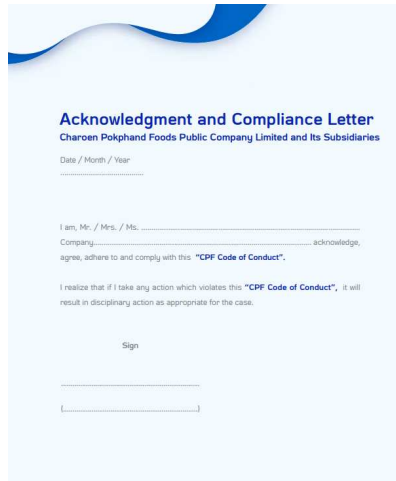
The Company has set out policies and principles to be used as implementation guidelines in its management on the basis of sustainable growth, for instance,

- Corporate Governance Policy
 - CPF Code of Conduct
 - Corporate Social Responsibility towards Sustainability Policy
 - Employment and Labour Management Policy
 - Non-discrimination and Anti-Harassment Policy
 - Diversity and Inclusion Policy
 - Safety, Health, Environment, and Energy Vision, Mission and Policy
 - Sustainable Sourcing Policy and Supplier Guiding Principle
- **Embedding**
To ensure that the Company's human rights issues are managed transparently in accordance with the fundamental principles and international standards, the Company integrates human rights principles into key relevant policies and communicates such policies to its employees in languages they understand, as well as its suppliers, business partners and all groups of stakeholders, for them to acquire knowledge and understanding and foster respect for human rights and good labor practices, which benefits society as a whole.

Channels for Communication of Policies on Human Rights and Labor Practices		
Employees and Workers	Contractors	Business Partners
<ul style="list-style-type: none"> - Posters and handouts - Trainings - CPF Website - Facebook - CPF connect on web browsers and mobile applications - Emails 	<ul style="list-style-type: none"> - Posters and handouts - Trainings - CPF Website - Facebook - Emails 	<ul style="list-style-type: none"> - Site Visits - Audits - Trainings - CPF Website - Facebook - Emails

Channels for Communication of Policies on Human Rights and Labor Practices

In 2022, all employees of every business unit of CPF have undergone training on human rights in a wide range of subject matters such as “CPF Code of Conduct”, “CPF 2030 Sustainability in Action”, fundamental human rights, labor law, occupational health and safety at work, and “Personal Data Protection”. CPF also disseminated its Sustainable Sourcing Policy and Supplier Guiding Principle Policy to all of the Company’s suppliers. All critical tier-1 suppliers of raw materials for manufacture of animal feed and other raw material supplier groups have acknowledged their commitment to comply with the Policy in writing.



Acknowledgment and Compliance Letter
Charoen Pokphand Foods Public Company Limited and its Subsidiaries

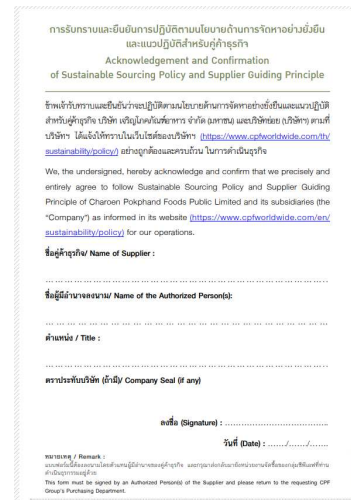
Date / Month / Year :

I am, Mr. / Mrs. / Ms., acknowledge, agree, adhere to and comply with this “CPF Code of Conduct”.

I realize that if I take any action which violates this “CPF Code of Conduct”, it will result in disciplinary action as appropriate for the case.

Sign :

Letter of Acknowledgement and Compliance with CPF Code of Conduct



การรับทราบและยืนยันการปฏิบัติตามนโยบายด้านการจัดหาอย่างยั่งยืนและแนวปฏิบัติ
และแนวปฏิบัติสำหรับคู่ค้าธุรกิจ
Acknowledgement and Confirmation
of Sustainable Sourcing Policy and Supplier Guiding Principle

ข้าพเจ้า/ดิฉัน/ท่าน/เรายืนยันว่าเรา/พวกเราปฏิบัติตามนโยบายด้านการจัดหาอย่างยั่งยืนและแนวปฏิบัติ
สำหรับคู่ค้าธุรกิจ บริษัท หรือกลุ่มบริษัทของ บริษัท (มหาชน) และบริษัทย่อย บริษัทฯ ตามที่
บริษัทฯ ได้แจ้งให้ทราบไว้ในเว็บไซต์ของบริษัทฯ (<https://www.cpfworldwide.com/en/sustainability/policy>) อย่างถูกต้องและครบถ้วนในการดำเนินงาน

We, the undersigned, hereby acknowledge and confirm that we precisely and entirely agree to follow Sustainable Sourcing Policy and Supplier Guiding Principle of Charoen Pokphand Foods Public Limited and its subsidiaries (the “Company”) as informed in its website (<https://www.cpfworldwide.com/en/sustainability/policy>) for our operations.

ชื่อผู้จัดหา/ Name of Supplier :

ชื่อผู้มีอำนาจลงนาม/ Name of the Authorized Person(s):

ตำแหน่ง / Title :

การประทับตรา (ถ้ามี) / Company Seal (if any) :

ลงชื่อ (Signature) :

วันที่ (Date) :

หมายเหตุ / Remark :
เอกสารนี้ต้องแนบส่งคืนมายังผู้มีอำนาจลงนามคู่ค้าธุรกิจ และประทับตราลงนามโดยผู้ลงนามในเอกสารนี้
สำเนาเอกสารแนบ
This form must be signed by an Authorized Person(s) of the Supplier and please return to the requesting CPF Group’s Purchasing Department.

Letter of Acknowledgement and Compliance with CPF Sustainable Sourcing Policy and Supplier Guiding Principle

In addition, throughout 2022, CPF had continuously been driving promotion of respect for human rights across its entire operations in partnership with the **Labour Protection Network Foundation (LPN)** through a wide array of engagement activities continually performed under a Memorandum of Understanding for the fifth consecutive year. Training sessions on human and labor rights were conducted for both migrant and local employees, enabling them to know and realize the rights they are entitled to as stipulated in the Labour Protection Act and international labor standards. Over five years of collaboration, 91 training sessions of three hours each were organized for over 3,300 employees, covering CPF operating sites across the country, 74% of whom are migrants. Tests preceding and succeeding the training were systematically carried out. The results showed that employees have better awareness and understanding with an average score of 71 prior to training increased to 91 by the end of the training.

● Human Rights Performance

With the realization that respect for human rights is the foundation of sustainable development, CPF has set out principles of human rights to be an integral part of the corporate culture. These principles are used to set guidelines for business operations so that the performances be consistent with the principles of protecting human rights under national legislation as well as international principles. These cover every aspect of CPF’s human rights performance, starting from laying out strategies to manage risks which may arise from violations of human rights, implementing measures to safeguard against abuses and remedy incidents, building awareness among all stakeholder groups for collective engagement in promoting human rights. This leads to improvement of quality of life in society, where individuals and groups of individuals receive equal treatment both in terms of rights entitled and opportunities offered, resulting in inspiring public confidence and social trust placed in the Company.

Our human rights performance is managed and conducted across the Company’s operations while the 6 corporate core-values of the “CPF Way” are progressively embedded in the organization. This entails managing human rights issues through relevant policies on the basis and standards stipulated in the UN Guiding Principles on Business and Human Rights (UNGPs) that The United Nations have instrumented as guidelines for the business sector to explore and apply to their management of human rights.

The Company places great significance to managing human rights risks which is an essential factor to succeed in business. The Company has adopted the Human Rights Due Diligence Framework (HRDD) since 2016. The process comprises analyzing and assessing human rights risks, managing those risks, mitigating impacts of human rights violations efficiently and continuously monitoring and comprehensively reporting performance.

The Company's Human Rights Due Diligence Process consists of 8 steps as follows:

1. Policy Commitment: the Company has demonstrated firm commitment to promoting human rights and fostering standard labor practices across its business operations in a concrete manner.
2. Embedding: Respect for human rights are embedded within the organization through relevant corporate policies disseminated to its employees – with an aim to reinforce respect for human rights and foster fair labor practices.
3. Human Rights Risk Assessment: The Company conducts regular human rights risk assessments to identify risks and mitigate potential impacts on human rights violation within the Company's operations and its value-chains.
4. Integrating and Acting: After identifying high-risk human rights issues (salient issues), the Company considers the efficiency of the existing measures and develops additional measures to reduce the likelihood or severity and the impacts of such issues that potentially affect stakeholders, including vulnerable groups.
5. Monitoring Performance: The Company monitors and makes evaluations of existing impact mitigation measures to ensure that they have been continuously improved through stakeholder engagement strategies, so as to effectively tackle and solve possible issues of human rights violations.
6. Communication: The Company discloses its human rights performance annually through sustainability report, annual report and the Company's website.
7. Stakeholder Engagement: The Company continuously conducts analyses and reviews to comprehensively identify its stakeholders in all groups and emphasize stakeholder engagement through a wide array of activities and a wide range of communication channels.
8. Remediation and Grievance Mechanisms: The Company puts in place different grievance channels for lodging complaints or whistleblowing and takes into account the cases and manage them in a systematic approach.



With regard to assessing human rights risk issues, the Company conducts the Human Rights Risk Assessment (HRRRA) in a systematic approach with an aim to identifying salient risk issues and mitigating any impacts which may arise from violation to human rights across its operations and its value-chains. The HRRRA is comprehensively conducted every three years and it is subject to review of risks and mitigation measures annually.

In 2022, the Company, collaboratively with a leading consulting firm, conducted the Human Rights Risk Assessment (HRRRA) and the Human Rights Impact Assessment (HRIA). For HRRRA, the assessment was carried out on its operations in all business groups across its value-chains, both in Thailand and overseas covering a total of 17 countries the Company operates in. The assessment includes the Company's employees and right-holders in the value-chains - to whom there are risks of violations to human rights occurring - including suppliers and contractors, local communities, customers, consumers and groups of individuals with diversity covering LGBTQ+, race, religion, minorities, the disabled and such vulnerable groups as the elderly, women, pregnant women, children and youth. It is noteworthy that the HRRRA was also conducted on the Company's joint-ventures and businesses deriving from merger and acquisition programs. The CPF Human Rights Due Diligence 2021 can be consulted on https://www.cpfworldwide.com/th/sustainability/social/human_rights/HRDD.pdf

As part of stakeholder engagement, the Company conducted the Human Rights Impact Assessment (HRIA) with those right-holders concerned. This entails whether the right-holders are impacted by the Actual Risks outstanding from the Potential Risks preceding identified in the Human Rights Risk Assessment exercise. It also includes an assessment of

the efficiency of the Control Measures set out and put in place, as to whether they should be maintained, adjusted or supplemented, or whether new measures are to be introduced to optimally mitigate impacts.

In 2022, the Company determined to conduct the Human Rights Impact Assessment on its “employees” as a right-holder group. The result demonstrates that the issue identified as high impact concerns safety and occupational health at workplace. To mitigate such impact, the Company has been committed to developing a culture of safety across the organisation through creating awareness and encouraging employees to strictly comply with the policies related to occupational health and safety. Also intensity and frequency of training sessions are enhanced for those employees required to perform their functions in areas at high risk of accidents.

● *Grievance & Remediation*

The Company attaches utmost importance to ensuring that stakeholders of all groups are fairly treated according to their statutory rights and agreements with the Company. In case of damages, the Company is committed to providing effective and appropriate indemnification to those parties affected by such negative impacts.

A key purpose of the partnership between the Company and the Labour Protection Network Foundation (LPN) is to enable all the employees regardless of level or nationality to have access to their fundamental rights equally. This entailed setting up and managing the “Labour Voices Hotline by LPN”. LPN, as a neutral organisation, is in charge of receiving questions, queries, requests for assistance, opinions, suggestions and complaints from employees of such diversity as in race, religion, culture, beliefs, etc. The Company has managed to realize and recognize any issues or suggestions from employees and taken them into consideration for further development and management of such matters in an efficient and timely manner. Hotlines were set up with communication posters in four languages: Thai, English, Burmese and Cambodian.



Poster in Thai / English



Poster in Burmese/Thai

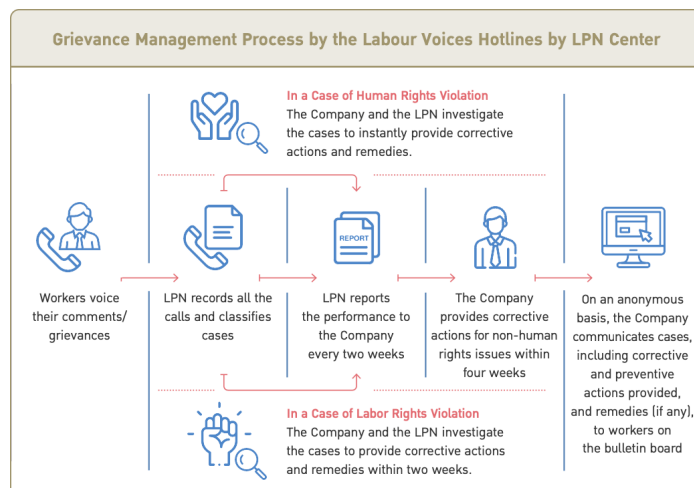


Poster in Cambodian/Thai

Posters communicating Labour Voices Hotline by LPN

Cases of complaints or whistleblowing are taken on and managed as shown in the Process below.

Grievance Management Process by the Labour Voices Hotline by LPN



To manage reported cases received through the Labour Voices Hotline by LPN, calls are systematically logged and classified into 3 categories of cases:

- In the case of violation of human rights, the Company together with LPN is to investigate the matter for solution and remediation to be provided immediately.
- In the case of violation of labor rights, investigation and remediation must be put forward within two weeks.
- In other cases, solutions are to be completed within four weeks.

In 2022, the Company received one complaint through the "Labour Voices Hotline by LPN". It concerned wage payment. Following the investigation, the case was caused by the fact that the worker had been rotated to another work-station but the supervisor failed to notify the HR Unit, resulting in a discrepancy of data on the system. CPF offered a solution and remediation within the determined timeframe. The Company also communicated the case to supervisors who were reminded to follow scrupulously the processes in place in case of employees' transfer. To prevent this non-compliance from reoccurrence, CPF proceeded to review and adjust internal procedures to be more clear and concise.

It is noteworthy that, throughout 2022, there was no case of violation to human rights reported from our stakeholders across its entire operations.

In addition, under the partnership program with LPN, there were 8 focus-group sessions organised in the form of visits to residential quarters of employees, during which informal conversations were engaged and suggestions and expectations were expressed. The Company has taken them into consideration with solutions leading to betterment of the employees' quality of life.

- ***Integrating and Monitoring Performance***

The Human Resources Compliance Department (HR Compliance) under the Human Resources Unit of the Company takes charge of supervising and managing human rights issues and labor practices, a key part of which is:

Employment and Labour Practices

The Company has clearly set out policies including labor practices and has strictly and continuously implemented them in compliance with Thai Labour Standards (TLS 8001 – 2020), international labor standards and customers' code of conduct. It complies with the legislation on minimum age for employment. Young employees shall not be assigned to work that is harmful to their health and personal development. Forced labor of all forms are not adhered to. The Company respects diversity and treats employees equally without discrimination or preferential practices on the grounds of race, nationality, ethnicity, skin color, family background, belief, religion, social status, sexual orientation, gender, age, physical appearance, disabilities or impairment, spoken language, political beliefs as well as marital status, or any other particular features that potentially lead to discrimination, while preventing, and where that is not possible, resolve incidents of harassment. The Company pays compensation and wages, including overtime payment and benefits in compliance with legal requirements and in a timely manner. There shall be no deduction from employees' wages unless otherwise stated by the laws. The regular working hours do not exceed those required by laws. In addition, the Company shall promote, support maintain and consistently improve and create a safe working environment, preventing potential impacts on health of employees and those others concerned.

Recruitment and Employment of Migrant Workers

The Company places great importance on legal employment across its entire operations, including recruitment of migrant workers under the bilateral Memoranda of Understanding (MoU) between Thai Government and those of neighboring countries, directly through a legally accredited recruitment agency in the country of origin, ensuring that the processes and recruitment-related costs from home country are accurate, transparent and auditable. All employees of the Company, whether Thai or non-Thai, shall be treated fairly and equally.

The Company has also determined that a Post-Arrival Verification process be systematically conducted to ensure that the recruitment processes are accurate and transparent, and complying with requirements. This enables the Company

to take appropriate corrective action against occurring non-compliance in a timely manner. As part of post-arrival verification process, CPF has set out a random sample of newly-hired migrant workers according to the sample-size calculated by international formula. From the 2022 verification exercise, there was no case of non-conformance in the recruitment and employment process of migrant workers. Also, the responsibility of each party in recruitment fees and related costs complied with our Policy and the implementation guidelines put in place.

Diversity and Inclusion Management

The Company is committed to treat its personnel equally, while creating a working atmosphere where individuals respect each other and co-exist in unity and diversity, where there is neither discrimination nor harassment in any form. The Company's goal is to protect its employees at all levels and to not tolerate any forms of discrimination, whether in terms of characteristics of an individual or groups of individuals, their race, nationality, ethnicity, skin color, family background, belief, religion, social status, sexual orientation, gender, age, physical appearance, disabilities or impairment, spoken language, political belief as well as marital status, or any other particular features that potentially lead to discrimination. Moreover, the Company does not tolerate abuse and harassment of any kind, whether or not it bears sexual connotations. This principle has been applied to employees at all levels in both and overseas operations.

Under the United Nations' Sustainable Development Goals (SDGs), CPF is driving the Sustainable Goals of Gender Equality. The goals aimed for by the year 2030 is to drive employment of an equal number of male and female employees and provision of equal remuneration for the same position held, regardless of gender.

The Company has also founded the LGBTQ Club, aiming to create an assembly of people from all genders and ages with freedom of speech, expression and expectation. It enables the Company's employees to realize and recognize diversity within the organization, reaffirming its commitment to value all individuals equally without discrimination. Employees are encouraged to take part in considering relevant rules, regulations and policies, which brings about an improved quality of life of LGBTQ groups and a harmony of groups of individuals.

The Company recognizes and values difference and diversity in concepts, skills and experiences of its employees to reinforce their capacity in driving its businesses forward. The Company has therefore set out the key guidelines under its Diversity and Inclusion Policy as follows:

- Leaders shall be open-minded to opinions of others.
- Employees shall be encouraged to freely express their opinions in a constructive manner.
- An environment of mutual respect where employees can work together in diversity shall be fostered.
- The principle of non-discrimination and equal opportunity shall be adhered to, and deserved recognition shall appropriately be granted.

- ***Supporting the disabled and underprivileged***

In order to assist persons with disabilities who are socially disadvantaged in accessing employment, the Company is committed to equality and to reducing inequality in accordance with the United Nations' Sustainable Development Goals. The Company seeks to provide them opportunities where they can exercise their capabilities to earn wage, which could reduce the burden on their family and the society as a whole. It also motivate persons with disabilities to play a significant role in boosting the family and national economies and fostering self-reliance. Additionally, the Company nurtures diversity to a full extent, which is an integral part of its key policies.

In 2017, the Company began hiring more than 550 individuals with disabilities to work. They were placed at different public benefit organizations such as schools, municipal (Tambon) health-promoting hospitals, temples, etc. The Company also promotes knowledge for people with impairments through training sessions on farming layer-chickens by specialists from the Foundation. There are also training seminars on social security welfare under disability scheme as well as occupational safety.

In 2022, the Company performed the operations in accordance with "Empowerment of Persons with Disabilities Act Section 3", by hiring of 671 disabled people to work in various functions in a wide array of organizations of public benefit including schools, local hospitals, temples, municipality. This figure is more than the ratio of able-bodied to disabled

people of 1:100 by nine people. The disabled individuals employed by the Company are grouped into 3 categories. The first group is 164 disabled persons employed to perform office tasks in the Company's operating sites. The second category is 506 disabled people employed to work in local businesses or charity organizations, such as assisting with the program "Farming layer chickens to support lunch-meals for students" at schools, serving as teaching assistants in classrooms, and providing support to municipality, hospitals, and temples and also sponsored wheelchair basketball players of the National Team. The last group is the disabled who have been granted with a corner on the premises of the Company's operating sites to sell various small items of goods.

- Welfare Committees at Workplace**

Another solution that the Company is working towards to reduce inequality is to promote employees' participation while encouraging them to be elected members of the Welfare Committee at Workplace, representing employees from all levels and from different functions. The Welfare Committee aims to give all employees opportunity to freely express opinions and give suggestions to the Company. The Company holds the Welfare Committee election in a transparent manner, with both candidates and voters having freedom of choice.

The Company has taken into consideration any issues received through the Welfare Committee at Workplace and proceeded to improvement of welfare benefits, working environment and efficient labor management in general. The Company has determined the number of committee members to be in proportion with the number of employees at one operating facility, which is higher than the number of 5 members required by law, but not over 17 members. In addition, the Welfare Committee at Workplace is determined to be covering diverse groups of employees, as in gender, nationality, religion and disability. Short of such vulnerable groups in the Welfare Committee after election, the Company shall put in place a Welfare Sub-Committee to ensure such diversity in the Committee.

In 2022, 70% the Company's employees across its Thailand operations enjoyed improved welfare benefits resulting from discussions and solutions from the Welfare Committee at Workplace mechanism. At present, the Company has 193 Welfare Committees with a total of 1,351 members, comprising

- 1,148 Thai and 203 migrants (Thai 85%, migrants 15%),
- 730 females and 621 males (females 54%, males 46%),
- 1,269 Buddhists and 82 of other faiths (Buddhists 94%, Others 6%).

- Labor Relations Management**

The Company realizes the importance of labor relations management on the principle of treating employees with transparency, fairness and accountability under the applicable principles under the Rule of Law and the Labor Law. Besides, there is also respect for the human rights principles with sustainable responsibility for society without discrimination to all of employees. Regardless of race, religion, gender, skin color, age, and no tolerance for any employees with misconduct on harassment, whether sexual or physical threats upon another individual, whether verbally or mentally, for the Company's customers to be confident that its operations and its products are under labor management that complies with Thai law and human rights principles.

The Company received whistleblowing of any wrongdoing by employees, the Company has no policy to terminate employees' contracts unfairly, including due to the COVID-19 situation, or due to pregnancy. Even if an employee violates work regulations in a severe case, the Company must set up an Investigation Team, comprising representatives from various department according to the Company's Regulations. They will investigate and examine all the facts and give the employee an opportunity to defend oneself. After the investigation report is completed, the Disciplinary Committee comprising the Company's executives who have been appointed by whom with authorized power will consider the report concluded by the Investigation Team, on the basis of the labor law, and the regulations, orders and judgments of the Supreme Court on labor cases in a scrupulous and circumspect manner in all fairness, justice, equality guaranteed to all employees, all of which solely based on facts in each circumstance.



Company strives for excellence in HR management with prestigious awards

The Company has been recognized and awarded by leading organizations at both the national and international level as follows:

Human Resource Management Awards

The Company has been honored as the one of “Best Companies to Work for in Asia 2021” for the second consecutive year, hosted by Business Media International, who praised CPF as an Asian Company model for excellence in human resources management, enhancing participation and upgrading employee engagement to the organization.



The Company has received for Thailand HR Innovation Award, organized by Personnel Management Association of Thailand (PMAT), from “Kitchen of Knowledge” program or sharing “Tee-Det” for personnel and society. “Im Ru” has a target to develop new knowledge management program for the 3 benefits of personnel, organization, suppliers, and education.

Human Rights Awards 2022

The “Human Rights Awards 2022” was bestowed to the Company for its praiseworthy human rights performances in the category of large corporations for the second consecutive year. The Award was presented by The Rights and Liberties Protection Department, Ministry of Justice of Thailand, to CPF as outstanding and role model for Thai business sector, for having integrated human rights principles into its business operations across its value chains and supply chains, promoting best practices among its business partners and bringing benefits to society as a whole.



The Company received the second runner-up award in the Gender-Inclusive Workplace category from the “UN Women 2022 Thailand WEPs Awards”, organized by UN Women. This demonstrates the Company’s outstanding efforts to advance gender equality, continuously promote respect for diversity and inclusive practice.

The Company received a plaque for being “Outstanding Organization Supporting the Disabled” from The Ministry of Social Development and Human Security for the sixth consecutive year and was also awarded as outstanding in “the Sustainability Model Organization 2022 in the Thai Capital Markets by Supporting Disabled People” by The Office of the Securities and Exchange Commission. This illustrates that the Company has clear policies and practices to emphasize diversity, inclusion and acceptance on an equal basis without discrimination to support improved quality of life for vulnerable groups. The Company supports disabled people to use their own potential to gain sustainable income to enhance quality of life and well-being, including participation in benefiting their society and promoting disabled people to live with dignity.

The Company has been awarded with a Gold Class, the highest award, in Asia Sustainability Reporting Awards (ASRA) in the category of Asia’s Best Sustainability Report (Human Rights) from its transparent reporting on this aspect across its value-chains.

All of these rewards received demonstrates the Company manages its human resources by placing importance on excellence in each dimension and process of human resources management throughout its value-chain, promoting freedom, equality and the Company’s growth through sustainability.



Balance of Nature



BALANCE OF NATURE

The issue of finite natural resources coupled with the impacts of climate change, plastic waste in the oceans, food waste and the loss of biodiversity has resulted in the global community joining forces to find ways to address these problems at the international level. The 15th United Nations Convention on Biological Diversity (COP15) contained the key content of 30x30 targets for protection and conservation, pushing conservation measures specifically designed for each area. This reflects the urgency of genuinely addressing environmental issues. CPF has been engaging on many international forums to exchange experiences and to support revival of ecosystems at the global level. The Company is also committed to operating its business by reducing environmental impacts with the use of innovation and technology in the production process. This yields the greatest cost-effectiveness in using every category of natural resources and reducing environmental impacts.

CPF has a firm target of reducing greenhouse gas emissions to Net Zero by 2050 with reference to the Roadmap of Smart Sourcing, Smart Production and Smart Consumption. The Company has set out a proactive strategy to reduce greenhouse gas emissions throughout the manufacturing chain and is the first company to 100% abandon the use of coal for its activities in Thailand. Compared to the food industry sector, CPF is among the 5 leading companies with a large share of renewable energy (bioenergy, biomass and solar), which is as much as 27% of all energy used. This helps to offset greenhouse gas emissions by a total of 680,000 tons of carbon dioxide equivalent (CO₂e), equivalent to planting 73 million trees or 360,000 rai. Biomass energy from wood chips obtained from fast-growing trees is being substituted for coal, with a target in 2022 to completely replace coal, with corresponding emissions reductions of 190,000 tons CO₂e, at latest, CPF announced its commitment to the Science Based Target Initiative (SBTi), and is ready to meet its targets of Net Zero.

Another important impact on the commitment to the Net Zero Target is CPF's focus on innovation and technology to be deployed in production processes. For instance, this could be using 70% biogas for egg farms, and 50-60% at CPF swine farms. Transitioning all fuels from coal to biomass and the use of solar energy has already been initiated. Apart from this, the Company is studying methods to produce and survey the implementation of "Green Hydrogen", an alternative fuel of the future which is 100% clean, for use as a fuel in producing electricity and energy in the factories' production processes. Green hydrogen is a key fuel of the future to enable CPF to achieve its Net-Zero objectives. The Company is committed to manufacturing low-carbon products, with a 2030 target of 40% of all revenues to come from Green Products. Operating results in 2022 show a revenue share from green products of approximately 34%, offsetting greenhouse gas emissions by 1.483 million tons of CO₂e (for more details on the management of energy, water resources, waste and packaging, are stated in the Sustainability Report 2022, under the heading, "Climate Change Management")

As for responsible sourcing, since 2015, the Company has shared its operational principles for responsibility, through media, and training in the matter of policies of sustainable development and responsible business practice. This has been achieved through communications and training on sustainable sourcing policy and supplier guiding principle, coupled with self-assessments in sustainability are part of an initial systematic assessment of suppliers under CPF's guidelines for sustainable supply chain management. The Company has a plan to develop business suppliers sustainably with on-site visits, evaluation and training in the form of the annual CPF Capacity Building For Partnership Conference. The Company comes together with key suppliers to promote competitive capacity amidst the world's fluctuations. There is the CPF Faster Payment for SMEs & Individual Suppliers program focused on supporting SMEs facing cash flow issues from the COVID crisis. CPF gives priority to environmental and social dimensions with sustainable procurement focused on providing knowledge and encouraging stakeholders throughout the value chain. The Company does not support areas for growing key raw materials which do not have valid title deeds, or which encroach on forest. The Company does not use fishmeal obtained from sources with a risk of marine species extinction, or a resulting risk to damaging biodiversity under the definitions of the IUCN Red List. The Company will procure key raw materials which are traceable to the growing area or source, consistent with the Company's commitment to biodiversity and opposition to deforestation. The Company has a target to procure key agricultural raw materials used in its production processes comprising 5 items which are fish meal,

corn, soybeans, palm oil and tapioca which are entirely traceable to their source or growing area. CPF has a target to procure the raw materials from areas which have been audited to be free of deforestation by 2030^{/11}. In 2022, the performance for this target was at 23% (more details on responsible sourcing for the planet can be found in the Sustainability Report 2022 under the heading, “Biodiversity and Ecosystems”).

CPF has a commitment to address the issues of food loss, food waste and packaging as determined by targets of policies and guidelines for best practice in food loss, food waste and promoting sustainable packaging under the zero-waste policy by 2030^{/10}. This is conducted under comprehensive guidelines which start with making a database of food loss and food waste data. Processes have been developed to continuously collect and inspect food waste, while taking excess food and food waste to use in other ways. For instance, eggshells can be made into soil nutrients, and effluent treated with a biogas system producing steam for production processes. Communications and awareness-raising activities have also been held through various programs for employees, such as the program, “Empty Plates...Save the World”. The Company has collaborated with external third parties such as the SOS Foundation and GEPP Sa-Ard Co., Ltd., to take excess food from production lines to give to vulnerable communities who face shortages, through the program “Circular Meal: One meal can change the world.”

Packaging is one challenge for the environment that requires urgent remedy. CPF gives priority to designing and developing packaging which can be recycled according to the principles of the Circular Economy. The Company is proceeding with its target for 100% green plastic packaging by 2025 for its businesses in Thailand, and 2030 for its businesses overseas. These emphasize reuse and biodegradability under the principles of the BCG Economy model. In 2022, the performance on this target was 99.9%. Most recently, the Company was awarded third- place ranking at the ThaiStar Packaging Awards 2022 from its packaging for frozen chicken product, which greatly reduced the amount of cardboard. CPF has been conducting research with its partners to create packaging which is durable and stackable according to the product's shelving needs. This has enabled a 40% reduction in cardboard on traditional boxes. The Company cooperates in collecting packaging from every process and activity conducted jointly with parties in the network, such as the Circular Meal project (“One meal can change the world”), which delivers excess food to vulnerable people, while also collecting nearly all boxes of food for the recycling process. The CPF Circular Hub program conducts training for employees nationwide to build understanding and have a central hub for information concerning systematic recycling, as reference for further development. This includes the Restore the Ocean program, in which CPF collaborates with coastal communities to collect waste. This is conducted under the international guidelines of Ocean Conservancy which covers 32 locations around the country. An initial 8.9 tons has been collected, of which 2.6 tons were further reused. All of this highlights the commitment of CPF to adapt concepts of the circular economy throughout the value chain, to power a sustainable future. (more details on waste to value are shown in the Sustainability Report 2022 under the heading, “Biodiversity and Ecosystems”)

Remark: The sustainability performance 2022 is disclosed in the Sustainability Report 2022.

^{/11} Targets for both Thailand's and overseas' operations

4. Management Discussion and Analysis

4.1 Changes in accounting policies

As of January 1, 2022, the Group has implemented a change in its accounting policy regarding the valuation of investment properties. The previous cost method (net of accumulated depreciation and accumulated impairment loss) has been replaced by the fair value method in accordance with Accounting Standard No. 40, Investment Property. This change has been retrospectively adjusted for the comparative information presented in the previous period.

From December 1, 2022, the Group has revised its accounting policy for the valuation of buildings, building improvements, and equipment used for animal feed products, processed food, and ready-to-eat products. The previous cost method has been replaced by the revalued method in accordance with Accounting Standard No. 16, Property, Plant and Equipment, using the immediate replacement method onwards.

The aforementioned changes in accounting policies have been implemented to ensure that the financial statements accurately reflect the fair value of investment properties, buildings, building improvements, and equipment used for animal feed products, processed food, and ready-to-eat products. The aim is to provide users of financial statements with more relevant information for decision-making purposes.

4.2 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, 2022.

4.2.1 Performance Analysis

Overview of operating performance for the years 2021 and 2022

Unit : THB Thousand	2021	2022	Change
Revenue from sale of goods	512,704,447	614,196,968	19.8%
Gross profit margin	12.9%	13.3%	
Distribution and administrative expenses	50,880,488	55,000,802	8.0%
(Gains) losses on changes in fair value	-2,381,443	1,410,753	159.3%
Finance cost	16,596,049	20,357,997	22.7%
Income tax expense (income)	2,653,632	6,002,934	126.2%
Share of profit of associates and joint ventures	4,166,804	3,745,244	-10.1%
Gains on sale of investments and dividend income	2,451,918	2,613,321	6.6%
Gains on changes in fair value of investment properties	0	1,765,975	100.0%
Profit before one-time item	5,178,860	13,969,553	170.0%
One-time item : Gain from exchanging investments with shares	7,849,399	0	-100.0%
Profit for the year attributable to equity holders of the Company	13,028,259	13,969,553	7.2%
Net profit margin for the company	2.5%	2.3%	

Performance by business for the year 2021 and 2022

	2021		2022		Change
	THB Thousand	%	THB Thousand	%	
1. Thailand Operation	189,190,805	37%	224,355,723	37%	19%
1.1 Domestic	160,049,890	31%	191,206,117	31%	19%
Feed	43,441,164	8%	49,387,730	8%	
Farm and processing	91,892,648	18%	112,986,827	18%	
Food	24,716,078	5%	28,831,560	5%	
1.2 Export	29,140,915	6%	33,149,606	6%	14%
Feed	103,627	0%	61,453	0%	
Farm and processing	6,951,684	2%	9,370,162	2%	
Food	22,085,604	4%	23,717,991	4%	
2. Overseas operations	323,513,642	63%	389,841,245	63%	21%
2.1 Vietnam	111,110,839	22%	124,634,299	20%	12%
Feed	33,065,703	6%	37,874,713	6%	
Farm and processing	72,208,997	15%	78,999,539	13%	
Food	5,836,139	1%	7,760,047	1%	
2.2 China	30,456,643	6%	36,795,225	6%	21%
Farm and processing	20,050,398	4%	25,357,430	4%	
Food	10,406,245	2%	11,437,795	2%	
2.3 Other countries	181,946,160	35%	228,411,721	37%	26%
Feed	50,461,217	10%	58,797,037	10%	
Farm and processing	86,342,663	17%	112,972,422	18%	
Food	45,142,280	8%	56,642,262	9%	
Total sales Revenue	512,704,447	100%	614,196,968	100%	20%
Other Revenue	16,255,230		9,232,351		
Total revenue	528,959,677		623,429,319		18%

- Thailand operation

Revenue from sales for the Thailand operation was THB 224,356 million (accounted for 37% of the total sales revenue), increased 19% from the previous year. This increase was mainly due to the growth of Farm and processing businesses from higher meat prices compared to the previous year. Swine prices increased due to the shortage caused by the outbreak of African Swine Fever (ASF) in the previous year while broiler prices increased due to higher consumption demand following the ease of the COVID-19 pandemic both in Thailand and abroad.

- Overseas operation

Revenue from sales for the international operation was THB 389,841 million (accounted for 63% of the total sales revenue) increased 21% from the previous year largely from Vietnam and Russia operation. This growth is mainly attributable to the increased in sales volume resulting from expansion, coupled with the rising demand for consumption following the easing of the COVID-19 pandemic.

Gross profit for the year 2022 was THB 81,873 million, an increase of 24% from the previous year as a result of the aforementioned increase in revenue as well as efficient production and cost management of raw materials. Consequently, the gross profit margin increased from 12.9% in 2021 to 13.3%. The improvement in gross profit margin was mainly due to the increased performance of Thailand operations.

In 2021, there was a loss of THB 2,381 million due to the changes in fair value of biological assets. In contrast, in 2022, a gain of THB 1,411 million was recorded mainly due to the change in fair value of swine in Vietnam.

In 2022, finance costs amounted to THB 20,358 million, an increase of 23% from the previous year. This growth was primarily due to the increase in interest-bearing debt and the rising interest rates in many countries. As a result, the company's average cost of funds increased from 3.43% in the previous year to 4.36% in 2022.

Income tax for the year 2022 was THB 6,003 million, an increase of 126% from the previous year due to higher operating profits, especially in Thailand operation.

In 2022, the share of profit from investments in associates and joint ventures amounted to THB 3,745 million, indicating a 10% decrease from the previous year. This reduction was mainly due to the lower performance of joint ventures operating swine business in Canada, which incurred losses due to rising production costs and economic impacts of the COVID-19 pandemic. Conversely, the share of profits from investments in associates and joint ventures in CTI, a company engaged in animal feed and swine businesses in China, MAKRO, which operates wholesale and retail businesses, and CPALL, a convenience store operator, increased compared to the previous year.

Gain on revaluation of investment properties in 2022 amounted to THB 1,766 million is due to change in accounting policy from January 1, 2022 on the measurement of investment properties from cost method to fair value method in accordance with TAS 40 Investment Property.

Due to the aforementioned reasons, net profit attributable to the Company in 2022 increased by 7% from the previous year, amounting to THB 13,970 million. However, if the one-time gain of THB 7,849 million recorded in 2021, resulting from the difference between the book value and the fair value of the investment in MAKRO, is excluded, net profit for 2022 would increase by 170%.

4.3 Financial Status

(1) Assets

As of December 31, 2022, the Company's total assets amounted to THB 926,987 million. The assets included THB 233,219 million in current assets, THB 276,664 million in property, plant and equipment, THB 272,055 million in long-term investments, THB 62,767 million in goodwill, and THB 82,282 million in other assets.

Total assets increased from the end of 2021 in the amount of THB 81,743 million, or 10%, mainly due to:

- Property, plant, and equipment increased by THB 47,811 million due to the appraisal of land and buildings by an independent appraiser. This resulted in an increase in recognized land value by THB 14,765 million and an increase in recognized building value by THB 25,963 million. Additionally, there was an expansion in the operations of animal feed, swine farm, primary processing plant, and food processing.
- An increase in inventories of THB 9,649 million from higher prices of animal feed raw materials and higher reserves of raw materials from work expansion.
- Biological assets increased by THB 8,862 million, mainly from the increase in the number of swine from business expansion in Thailand, Russia and Vietnam.

(2) Liabilities and Shareholders' Equity

As of December 31, 2022, the total liabilities of the Company amounted to THB 627,144 million, consisting of trade and other payables of THB 50,964 million, interest-bearing liabilities of THB 485,050 million, lease liabilities of THB 35,503 million, and other liabilities of THB 55,627 million.

The Company's liabilities increased by THB 71,251 million, a 13% increase from the end of 2021. The primary reason for this increment is an increase in interest-bearing debt by THB 54,334 million, which was utilized to invest in CPP and expand the Company's operations.

As of December 31, 2022, the shareholders' equity of the Company stood at THB 299,843 million, which is an increase of THB 10,492 million or 4% from the end of 2021. The increment was contributed by net profit from operations, a capital increase from the revaluation of land and buildings, and decreased resulting from the translation of financial statements, and non-controlling interests.

(3) Asset Management

As of December 31, 2022, the Company reported net trade and other receivables of THB 43,221 million, with an allowance for expected losses of THB 1,080 million, accounting for 2.4% of total trade and other receivables. The management has established a control policy to regularly assess credit risk, which involves analyzing the financial status of all customers requesting credit line, and considering other factors that may affect the customers' credit risk, including the risk of default in relation to the industry and country of operation.

As of December 31, 2022, the Company's inventories were reported at THB 83,080 million, including THB 44,278 million in raw materials, THB 24,761 million in finished goods, and THB 15,122 million in other inventory items. The Company also had an allowance for the decline in value of inventories of THB 1,081 million. These inventories, representing 1.3% of total inventory.

(4) Liquidity and capital adequacy

As of December 31, 2022, the Company's cash flow decreased by THB 5,759 million, resulting in an ending cash balance of THB 29,527 million, a 16% decrease from the end of 2021. The cash flows from each activity during the period were as follows:

- Cash flow from operations amounted to THB 33,544 million, contributed primarily by operating profits.
- The cash flow used in investing activities totaled THB 25,723 million, primarily due to investments in property, plant, and equipment, which amounted to THB 27,256 million.
- The cash flow used in financing activities totaled THB 12,858 million, mainly due to the purchase of non-controlling interests in subsidiaries amounting to THB 29,771 million, payment of interest totaling THB 20,692 million, and payment of dividends totaling THB 5,159 million whereby loans from financial institutions increased by THB 45,767 million.

As of December 31, 2022, interest-bearing liabilities consisted of loans from financial institutions and bills of exchange amounting to THB 270,842 million, and debentures amounting to THB 212,215 million, with long-term loans and debentures due within one year totaling THB 66,117 million.

As of December 31, 2022, 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: times)	Net Debt to Equity Ratio	
	Consolidated financial statements	Separate financial statements
Debentures issued before CPF debenture No. 2/2556 ^{/12}	1.85	0.99
CPF debenture No. 2/2556 and CPF debenture No. 2/2561 ^{/13 /14}	1.44	N/A
CPF debenture No. 2/2556 and CPF debenture No. 2/2561 ^{/13 /15}	1.44	N/A

As of December 31, 2022, the Company's debt-to-equity ratio increased to 2.09 times from 1.92 times at the end of 2021. However, the Company's ability to pay its debts improved, as shown by the interest-bearing debt to earnings before interest, income tax, depreciation and amortization (EBITDA) ratio, which improved to 7.93

^{/12} Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements and not exceed 1.15:1.00 for separate financial statements. The ratio is calculated based on the information provided in the financial statements for the accounting periods ended on June 30 and December 31 of each accounting period that the auditor has reviewed or audited, as the case may be. For the purposes of this calculation, 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

^{/13} Excluded perpetual subordinated bond

^{/14} Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements. The calculation is based on the information contained in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited. For the purposes of this calculation, net debt = total interest-bearing liabilities excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

^{/15} Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements. The calculation is based on the information contained in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited. For the purposes of this calculation, net debt = total interest-bearing liabilities from financial institutions, bills of exchange, and debentures only excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

times as of December 31, 2022, compared to 8.33 times at the end of 2021, reflecting improved performance in 2022. However, the coverage ratio decreased to 0.35 times as of December 31, 2022, from 0.42 times at the end of 2021. This decrease was mainly due to an increase in interest-bearing debt that was due within a year.

In addition, the Company's liquidity ratio, as per the consolidated financial statements, decreased to 0.87 times from 1.06 times at the end of 2021, primarily due to an increase in current liabilities. The cash cycle remained unchanged at 47 days, the same as 2021.

According to the cash flow and various liquidity ratios, it can be concluded that the Company possesses sufficient liquidity to support its operations, meet its debt obligations, and comply with loan conditions.

4.4 Capital expenditures in 2022

Capital expenditures for 2022 for Thailand and overseas operations totalled THB 25,000 million (excluding capital expenditures for mergers and acquisitions). However, the capital expenditures may be adjusted according to changing circumstances.

4.5 Dividend payment

The Board of Directors' meeting held on February 24, 2023 passed a resolution approving the dividend payment according to CPF's operating results of the year 2022 to the shareholders in total at the rate of THB 0.75 per share. CPF already paid the first dividend payment to shareholders as an interim dividend at THB 0.40 per share on September 14, 2022. Therefore, the second dividend payment will be THB 0.35 per share which will be paid from dividends received from the Company's subsidiaries. Such dividends are appropriated from the taxable profits of the subsidiaries which were subject to 20% corporate income tax. Therefore, recipients are subject to withholding tax according to rules and conditions of the Revenue Code. However, recipients who are natural persons shall 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. 1/2023 which will be held on April 26, 2023 for further approval.

4.6 Events after the reported period

On January 31, 2023, CPF (Thailand) Public Company Limited ("CPFTH") issued unsubordinated debentures No. 1/2023 without any specified collateral and bearing the name of the bearer and a debenture holder representative has been appointed. The total value of the debentures is THB 10,000 million, with tenor of 5-10 years and a fixed interest rate of 3.20-4.00% per annum.

TRIS Rating Co., Ltd. reviewed and assigned a credit rating of "A+" on March 31, 2022. CPFTH registered the debentures with the Thai Bond Market Association on January 31, 2023.

4.7 Factors affecting future performance

The performance outlook for 2023 presents several challenges for the Company, including fluctuating meat prices, the impact of epidemics on humans and animals, international conflicts, deteriorating economic conditions in many countries, and increasing loan interest rates. Therefore, The Company remains cautious in approaching its business operations and investments. The Company places significant importance on biosafety controls to prevent potential diseases and plans to increase operational efficiency and improve raw material management to mitigate the impact of rising raw material prices.

In this regard, despite the systematically implemented risk management measures that the Company have established as stated in the guidelines specified in Part 1 Business Operations and Performance, Section 2 Risk Management, to an acceptable level. There is a possibility that the risk management measures may not be sufficient to reduce the risk to an acceptable level, which resulted in unexpected operational results due to the uncontrollable external factors such as disease outbreaks or macroeconomic issues.

4.8 Sustainability Development

The Company places a great deal of importance on sustainable development. In 2022, the company identified 7 key areas of sustainability: 1. Food security, 2. Human rights and labor practices, 3. Employees and communities, 4. Water management, 5. Climate change management, 6. Biodiversity and ecosystems, and 7. Corporate governance principle, risk management, and compliance. The 7 sustainability issues cover the 3 fundamental elements of sustainable development (economic, environmental, and social) which are essential components for sustainability development. The Company has therefore implemented various activities, guided by its sustainability guidelines which include:

Economic

The Company gives priority to economic development. This includes increasing Sustainable KPI, developing and managing innovation in modern agriculture which uses technology as a driver (Agri Tech), and the development of farm management systems with technology (Smart Farming). Additionally, the Company has developed its corporate governance practices, which is considered a major part of the economic component. Details of the development of corporate governance can be found in Section 8 Major Implementations of Corporate Governance.

Environment

The Company has undertaken numerous environmental activities, including a water management strategy to increase the efficiency of water use within the organization, setting corporate net-zero emissions targets, and responsible sourcing operations by bringing raw materials from areas without deforestation. Details of various environmental development activities can be found in Section 3 Driving Business towards Sustainability and the Sustainability Report 2022.

Social

The Company places great importance on social development, particularly in the field of human rights, labor practices and human resource management, including the development and support of the community. Details of various development actions can be found in Section 3 Driving Business towards Sustainability and the Sustainability Report 2022.

4.7 Key Financial Information and Ratio

(A) Consolidated Statements of financial position of CPF and its subsidiaries as of December 31, 2020, 2021 and 2022

	2020		As of December 31,			
	THB thousand	%	2021	%	2022	%
	THB thousand	%	THB thousand	%	THB thousand	%
Cash and cash equivalent	57,035,264	7	36,686,058	4	32,949,705	4
Accounts receivable - trade and others	29,952,155	4	38,470,747	5	43,220,606	5
Inventories	52,136,060	7	73,431,469	9	83,080,346	9
Current biological assets	38,925,031	5	47,955,121	6	54,538,803	6
Other current assets	16,621,175	2	20,006,836	2	19,429,666	2
Total current assets	194,669,685	26	216,550,231	26	233,219,126	25
Long-term investments	250,275,039	33	265,874,049	31	272,054,789	29
Investment properties	1,433,369	-	6,409,161 ^{/16}	1	7,934,300	1
Property, plant and equipment	200,138,278	26	228,852,703 ^{/16}	27	276,663,734	30
Right-of- use assets	32,373,333	4	34,663,569	4	35,881,634	4
Goodwill	54,565,338	7	60,816,718	7	62,766,519	7
Other intangible assets	13,142,577	2	13,649,484	2	13,457,689	1
Non-current biological assets	8,531,123	1	9,958,123	1	12,236,149	1
Other non-current assets	6,590,343	1	8,470,351 ^{/16}	1	12,773,240	1
Total non-current assets	567,049,400	74	628,694,158	74	693,768,054	75
Total assets	761,719,085	100	845,244,389	100	926,987,180	100
Overdrafts and short-term borrowings	63,846,345	8	70,991,804	8	94,753,369	10
Bills of exchange	38,753,567	5	17,964,321	2	20,686,554	2
Accounts payable – trade and others	32,312,422	4	44,371,714	5	50,963,728	5
Current portion of long-term debts	41,199,252	5	43,503,896	5	71,038,469	8
Other current liabilities	28,035,179	4	27,096,239	3	29,535,544	3
Total current liabilities	204,146,765	27	203,927,974	24	266,977,664	29
Long-term debts	271,888,658	36	330,700,572	39	332,080,592	36
Provision for employee benefits	10,553,012	1	9,556,316	1	9,149,572	1
Other non-current liabilities	12,952,082	2	11,707,838 ^{/16}	1	18,935,807	2
Total non-current liabilities	295,393,752	39	351,964,726	42	360,165,971	39
Total liabilities	499,540,517	66	555,892,700	66	627,143,635	68
Total equity	262,178,568	34	289,351,689	34	299,843,545	32

^{/16} The change in accounting policy as described in topic Changes in Accounting Policies



(B) Consolidated statements of income of CPF and its subsidiaries for the years ended December 31, 2020, 2021 and 2022

	2020		2021		2022	
	THB thousand	%	THB thousand	%	THB thousand	%
Revenue from sale of goods	589,712,922	97	512,704,447	97	614,196,968	97
Gains on sale of investments	1,575,478	-	2,387,910	-	2,553,196	-
Gains on loss of control in a subsidiary	11,198,660 ¹⁷	2	-	-	-	-
Gain from swap investment with shares	-	-	7,849,399	1	-	-
Others	5,298,174	1	6,017,921	1	6,679,155	1
Total income	607,785,234	100	528,959,677	100	623,429,319	100
Cost of sale of goods	482,469,521	79	446,814,837	84	532,324,028	85
Loss (Gains) on changes in fair value of biological assets	269,808	-	2,381,443	0	(1,410,753)	-
Selling and administrative expenses	62,021,285	10	50,601,762	10	55,476,716	9
Finance costs	16,817,964	3	16,596,049	3	20,357,997	3
Others	367,069	-	-	-	-	-
Total expenses	561,945,647	92	516,394,091	98	606,747,988	97
Share of profits of associates and joint venture	9,253,600	2	4,166,804	1	3,745,244	1
Profit before income tax	55,093,187	9	16,732,390	3	20,426,575	3
Income tax expense	11,001,203	2	2,653,632	1	6,002,934	1
Profit for the year	44,091,984	7	14,078,758	2	14,423,641	2
Non-controlling interests	(18,069,595)	(3)	(1,050,499)	-	(454,088)	-
Profit for the year attributable to equity holders of the Company	26,022,389	4	13,028,259	2	13,969,553	2

(C) Consolidated Statements of comprehensive income for the years ended December 31, 2020, 2021 and 2022

(Unit : THB thousand)	2020	2021	2022
Profit for the year	44,091,984	14,078,758	14,423,641
Other comprehensive income (loss) for the year, net of income tax	12,212,313	25,261,998	33,508,166
Total comprehensive income for the year	56,304,297	39,340,756	47,931,807
Non-controlling interests	(24,545,660)	(6,912,525)	(1,420,833)
Total comprehensive income for the year attributable to equity holders of the Company	31,758,637	32,428,231	46,510,974

(D) Consolidated statements of cash flows for the years ended December 31, 2020, 2021 and 2022

(Unit : THB thousand)	2020	2021	2022
Net cash provided by operating activities	71,037,713	6,420,220	33,543,502
Net cash used in investing activities	(75,918,548)	(22,705,244)	(25,723,277)
Net cash provided by (used in) financing activities	28,841,089	(5,743,508)	(12,858,251)
Net increase (decrease) in cash and cash equivalent	23,960,254	(22,028,532)	(5,038,026)
Cash and cash equivalents at the beginning of the year	30,376,585	54,406,515	32,285,883
Effect of exchange rate changes on the balances held in foreign currencies	69,676	2,907,900	(721,188)
Cash and cash equivalents at end of year	54,406,515	35,285,883	29,526,669

¹⁷ Gain on loss of control in CTI was attributable to equity holders of the Company by THB 3,909 million and attributable to non-controlling interests by THB 7,290 million

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

	2020	2021	2022
Liquidity ratios			
Current ratio ¹⁸ (times)	0.95	1.06	0.87
Quick ratio ¹⁹ (times)	0.43	0.38	0.29
Cash flow liquidity ratio ²⁰ (times)	0.35	0.03	0.14
Accounts receivable turnover ²¹ (times)	18.11	14.54	14.65
Collection period ²² (days)	21	26	25
Finished goods turnover ratio ²³ (times)	28.18	25.49	24.42
Finished goods turnover ²⁴ (days)	13	15	15
Inventory turnover ratio ²⁵ (times)	8.43	7.01	6.71
Inventory turnover ²⁶ (days)	44	53	55
Accounts payable turnover ²⁷ (times)	14.96	11.65	11.17
Payable period ²⁸ (days)	25	32	33
Cash Cycle ²⁹ (days)	40	47	47
Profitability ratios			
Gross profit margin ³⁰ (%)	18.19	12.85	13.33
Operating profit margin ³¹ (%)	8.58	3.05	4.39
Other income to total income ³² (%)	1.99	2.55	1.61
Cash to profit ³³ (%)	140.47	41	124.40
Net profit margin ³⁴ (%)	7.25	2.66	2.31
Return on Equity ³⁵ (%)	14.45	6.33	5.90
Operating Efficiency ratios			
Return on assets ³⁶ (%)	6.32	1.75	1.63
Return on fixed assets ³⁷ (%)	30.35	16.53	15.00
Asset turnover ³⁸ (times)	0.87	0.66	0.71
Leverage ratios			
Debt to equity ³⁹ (times)	1.91	1.92	2.09
Interest coverage ⁴⁰ (times)	5.81	3.39	3.13
Debt service coverage ⁴¹ (times)	0.65	0.42	0.35
Net debt to equity ⁴² (times)	1.62	1.73	1.85

¹⁸ Current ratio = Total current assets / Total current liabilities

¹⁹ Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities

²⁰ Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities

²¹ Accounts receivable turnover = Net sales / Average accounts receivable - trade and others

²² Collection period = 365 / Accounts receivable turnover

²³ Finished goods turnover ratio = Cost of sale of goods / Average finished goods

²⁴ Finished goods turnover = 365 / Finished goods turnover ratio

²⁵ Inventory turnover ratio = Cost of sale of goods / Average inventory

²⁶ Inventory turnover = 365 / Inventory turnover ratio

²⁷ Accounts payable turnover = Cost of sale of goods / Average accounts payable

²⁸ Payable period = 365 / Accounts payable turnover

²⁹ Cash Cycle = Average collection period + Inventory turnover - Payable period

³⁰ Gross profit margin = Gross profit / Net sales

³¹ Operating profit margin = Operating profit / Net sales

³² Other income to total income = Non-operating profit / Total income (excl. share of profits of associates and joint venture)

³³ Cash to profit = Cash flow from operation / operating profit

³⁴ Net profit margin = Net profit / Total income (excl. share of profits of associates and joint venture)

³⁵ Return on Equity = Net profit attributable to equity holders of the Company / Average shareholders' equity

³⁶ Return on assets = Net profit / Average total assets

³⁷ Return on fixed assets = (Net profit + Depreciation) / Average fixed assets

³⁸ Asset turnover = Total income (excl. share of profits of associates and joint venture) / Average total assets

³⁹ Debt to equity = Total liabilities / Total shareholders' equity

⁴⁰ Interest coverage = Earnings before interest, income tax, depreciation and amortisation / interest expenses

⁴¹ Debt service coverage = Earnings before interest, income tax, depreciation and amortization / (interest-bearing + debt matured in 1 year)

⁴² 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. 2/2013)



	2020	2021	2022
Net debt to equity ^{/43} (times)	1.22	1.33	1.44
Net interest-bearing debt to equity ^{/44} (times)	1.59	1.61	1.74
Dividend payout ^{/45} (%)	32.51	41.96	45.04
Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization ^{/46} (times)	4.42	8.33	7.93
Bill of Exchange to interest-bearing debt ratio ^{/47} (times)	0.09	0.04	0.04
Debt matured in 1 year to total interest-bearing debt ^{/48} (%)	34.66	28.82	36.21
Loan from financial institution to interest-bearing debt ^{/49} (%)	37.66	43.09	48.06
Debt issuance to interest-bearing debt ^{/50} (%)	54.58	49.30	44.74
Other interest-bearing debts to interest-bearing debt ^{/51} (%)	7.76	7.61	7.20
Net debt to earnings before interest, income tax expense, depreciation and amortization ^{/52} (%)	3.81	7.67	7.43
Loan from financial institution to total debt ^{/53} (%)	31.37	36.01	39.89

^{/43} 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. 2/2013 and debentures issued thereafter)

^{/44} Interest-bearing debt to equity = Total interest-bearing debt / Total shareholders' equity

^{/45} Dividend payout = Dividend paid / Net profit attributable to equity holders of the Company according to the Company's consolidated financial statements

^{/46} 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

^{/47} Bill of Exchange to interest-bearing debt ratio = Bill of Exchange / Total interest-bearing debt

^{/48} Debt matured in 1 year to interest-bearing debt = (short-term interest-bearing debt + long-term interest-bearing debt due within 1 year) * 100 / Total interest-bearing debt

^{/49} Loan from financial institution to interest-bearing debt = (Overdraft + loan from financial institution + debt from trust receipts) * 100 / Total interest-bearing debt

^{/50} Debt issuance to interest-bearing debt = (Debentures + bill of exchange) * 100 / Total interest-bearing debt

^{/51} Other interest-bearing debts to interest-bearing debt = (Lease liabilities + borrowing from related parties) / Total interest-bearing debt

^{/52} Net debt to earnings before interest, income tax expense, depreciation and amortization = Net debt / Earnings before interest, income tax expense, depreciation and amortization whereby net debt means total interest-bearing debts - cash and cash equivalents

^{/53} Loan from financial institution to total debt = Loan from financial institution / Total debt

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

Company name	: Charoen 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 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 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, 1st 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.,
 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

**CPF debentures 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, subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No. 1/2022, No.1/2022 Series 1 due 2026, Series 2 due 2028 and Series 3 due 2030

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 debentures No. 1/2018 Series 1 due 2025 and Series 2 due 2028, No. 2/2018 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, No.1/2021 Series 1 due 2026, Series 2 due 2028, Series 3 due 2031, Series 4 due 2033 and Series 5 due 2023

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 2023

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 13, 2023, the latest record date, there were 25.27% 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, 2022. 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 and Sustainable Development Policy and Practices

Corporate Governance and Sustainable Development Policy of The Company has been developed upon Sufficiency Economy Philosophy by H.M. King Bhumibol Adulyadej along with creating benefits for the country, people and the Company according to the three-benefit principles of Charoen Pokphand Group. It incorporates rules, principles, and concepts of corporate governance and prioritizes environmental protection, human rights, and social responsibility both domestically and internationally. as follows:



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



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



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



Notifications and regulations issued
by the Stock Exchange of Thailand



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



Self-Evaluation Tool for Countering
Bribery developed
by the Private Sector Collective
Action Coalition against Corruption,
including personal management
according to anti-corruption
measurement



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



The Ten Principles
of the United Nations Global Compact
covering human rights, labour,
environment and anti-corruption



17 Sustainable Development
Goals or SDGs



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



Carbon Disclosure Project Standards
or CDP covering 3 subjects i.e.,
climate change, water management
and forest



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



Taskforce for Climate-related
Financial Disclosures or TCFD

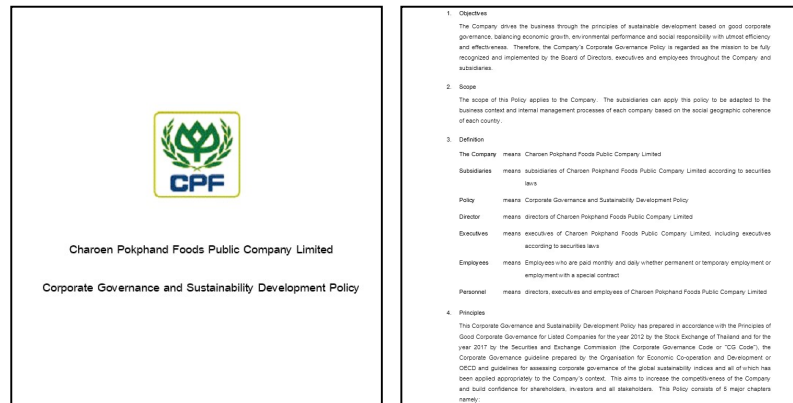


Paris Agreement,
an international treaty on
climate change which Thailand
as one of the parties that ratified
this Agreement



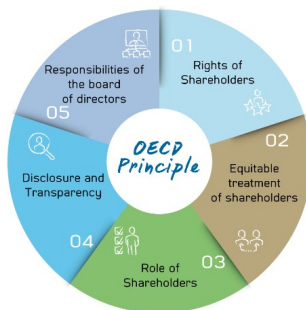
ASEAN Corporate Governance
being support by
ASEAN Capital Markets Forum
and Asian Development Bank (ADB)

Under the vision of the “World Kitchen”, the Company has the objective to build food security by dedication to driving the business under the principles of sustainable development on the basis of good corporate governance. Economic growth is driven alongside maintaining Environmental balances, while adding Social value to surrounding communities, for maximal efficiency and effectiveness. Therefore, applying principles and practice as stipulated in the Company's Corporate Governance and Sustainable Development Policy is a key commitment of the Company's Board of Directors, executives and employees, who can put it into practice across the organization. The Company also conducts assessments of compliance with policy and the pertinent regulations, with the results of the assessment reported to the company's Board of Directors at least once annually. This includes the promotion of learning about corporate governance and sustainable development among employees on a broad basis, for every employee to be aware of having business operations with integrity, and having a part in preventing operations or other actions that are incorrect.



According to OECD Principles, the Company's **Corporate Governance and Sustainable Development Policy** consists

of 5 major chapters and 12 key policies.^{/54} The Company's Corporate Governance and Sustainable Development Policy and Practices are disseminated at Attachment 5 of Annual Report 2022 (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.

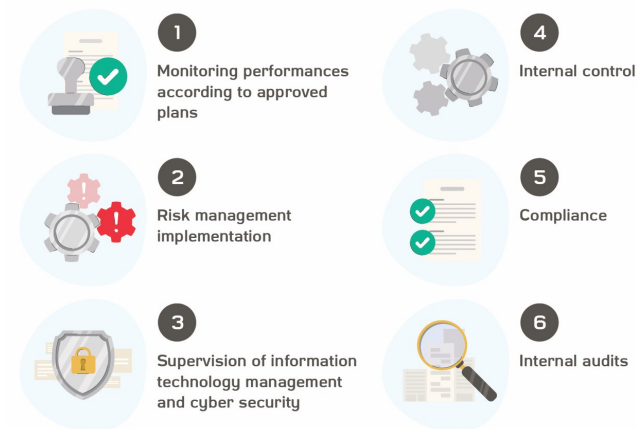
Roles of Board of Directors



^{/54} 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 is focused on improving the company's corporate governance structure to ensure that risk management, internal control, compliance, cyber security, and internal audit are all effectively managed, providing a system

Board Responsibilities



of checks and balances across the organization. This will support the achievement of the company's operational goals.

Board Composition

The Board of Directors has 15 members, with 10 non-executive directors (50% of which are independent) representing 66.67% of the board and 5 executive directors representing 33.33%. 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.

The Board of Directors is composed with a diversity of skills, knowledge, abilities, experiences, races, nationalities, genders, and ages to ensure effective work and diverse ideas. Currently, the board has 2 female members, representing 13.33% of



the board. : Mrs. Vatchari Vimooktayon, the independent director, and Mrs. Arunee Watcharananan, the executive director whereas the directors have a range of ages





CPF Board Skills Matrix

		Other Business/Industries			Accounting/Finance			Others									
		Agro/Food	Health/Science	Retail/Wholesale	Business Management	Finance/Accounting	Economic	Corporate Governance & Sustainability	Risk Management	Management	Marketing	Human Resources Management	Tax	Business Laws	Research & Development	Internal Audit	Information Technology & Cyber Security
1.	Mr. Soopakij Chearavanont	•		•	•		•	•	•	•	•	•					•
2.	Mr. Phongthep Chiaravanont	•	•		•		•	•			•				•		
3.	Mr. Suphachai Chearavanont	•		•	•	•		•	•	•	•	•		•	•		•
4.	Mr. Adirek Sripratak	•	•	•	•	•	•	•	•	•	•	•			•		
5.	Mr. Rungson Sriworasat			•	•	•	•	•	•		•		•	•			
6.	Pol. Gen. Phatcharavat Wongsuwan			•	•			•									
7.	Mrs. Vatchari Vimooktayon			•	•	•	•	•	•				•	•			
8.	Mr. Vinai Vittavasgamvej				•	•	•	•	•		•						
9.	Professor Dr.Kittipong Kittayarak							•		•		•		•			
10.	Mrs. Arunee Watcharananan	•			•	•	•	•	•	•		•	•	•			
11.	Mr. Prasit Boondoungprasert	•	•	•	•	•	•	•	•	•	•	•		•	•		•
12.	Mr. Siripong Aroonratana	•	•	•	•		•	•	•	•	•				•		
13.	Dr. Sujint Thammasart, D.V.M.	•	•		•			•	•	•					•		
14.	Mr. Pisan Chirakitchareern	•		•	•	•	•	•	•	•			•	•			•
15.	Mr. Montri Suwanposri	•		•	•	•		•	•	•	•	•				•	•

The Board of Directors meetings are scheduled in advance for the whole year and the directors are notified at the end of the previous year. In 2022, the Board of Directors held 9 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 2023 have been scheduled for February, March, May, June, August, November and December.



The Board of Directors has established specific committees composed of directors with relevant expertise and experience to improve efficiency in fulfilling their duties. These committees assist in setting objectives and establishing procedures before they are approved. The Company's committees include (1) the Audit Committee, responsible for internal audit, internal control and risk management, (2) the Corporate Governance and Sustainable Development Committee, (3) the Remuneration and Nominating Committee, (4) the Technology and Cyber Security Committee and (5) the Executive Committee.



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 evaluates the Chief Executive Officer's performance annually to determine their compensation based on two main factors:

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 focused on sustainability, encompassing economic, social, and environmental concerns to support various departments in achieving the Company's sustainability goals (details of working groups relating to sustainability appeared in the Sustainability Report 2022).

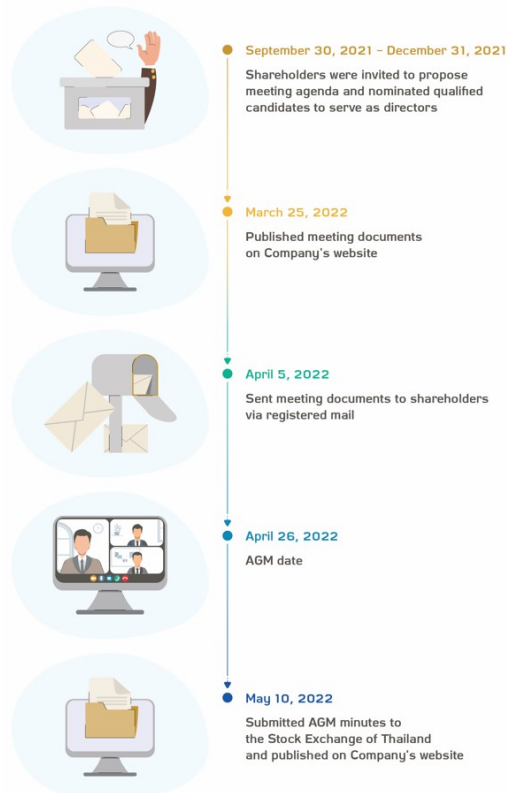
Rights of Shareholders

The Board of Directors is aware of the rights of shareholders as stipulated by law, and thus supports shareholders to exercise their rights as appropriate, and not perform any undertaking which is in breach or violation of shareholders' rights, whether from any severe incident or situation beyond the Company's control. In 2022, the Company held an Electronic Annual General Shareholders' Meeting (E-Agm) for the safety of shareholders and meeting attendees during the COVID-19 pandemic, and accommodate a large number of attendees. The Company also made efforts to provide ample opportunities for shareholders to attend the meeting and supported the rights of shareholders, including allowing minority shareholders to propose agenda items in advance of the meeting date as well as to proposing 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 the meeting invitation. The meeting invitation contains information about (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.

The 2022 Annual General Shareholders' Meeting was held via electronic meeting pursuant to the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and Notification of the Ministry of Digital Economy and Society, Re: Standards for Maintaining Security of Meetings via Electronic Means, B.E. 2563 (2020) to reduce the risk of pandemic disease threats. The

Procedure for Conducting AGM



Company used IR Plus AGM application for this E-AGM which shareholders can attend the meeting in person or grant a proxy to the Company's independent director or other proxy, watch the meeting online, cast a vote and raise questions via application for each agenda. The Company clarified the meeting rules and the voting procedures and methods prior to the meeting commencement. 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.

There were 15 directors and senior executives in attendance of the 2022 Annual General Shareholders' Meeting, including Chairman, Vice Chairman, Chief Executive Officer, the committee members, Chief Operating Officer and Chief Financial Officer

Due to the 2022 Annual General Shareholders' Meeting, the Chairman took on the role of Chairman. 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.

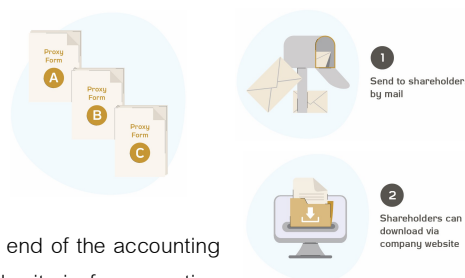
The Company prepared the minutes of the meeting which included two main sections. Section one consisted of general information such as the names of the directors and executives presented, the number of shareholders in attendance at the commencement of the meeting and the total number of their votes, 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 Annual General Shareholders' Meeting 2022 to the Stock Exchange of Thailand on May 10, 2022 (14 days from the meeting date), and simultaneously posted them on the Company's website.

Equitable Treatment of Shareholders

The Company supports and promotes every shareholder of the Company to received equal and fair treatment pursuant to their existing basic rights. Therefore, the Company has policy and guidelines to ensure that the Company's

internal information is not used for unlawful gain, personal or otherwise, which may damage shareholders as a whole. There is also a process to hold shareholders' meetings supporting equal treatment for every shareholder, including rights to propose items to be included in the meeting agenda, and propose qualified individuals to serve as directors.

In the 2022 Annual General Shareholders' Meeting, the Company gave shareholders the opportunity to make such proposals 3 months before the end of the accounting year, or from September 30, 2021. The Board of Directors has stipulated criteria for accepting such matters for consideration, including channels and time periods for accepting proposals. There has been communication through the Company's website, and channel of the Stock Exchange of Thailand, of which it appeared that during that period, there were no shareholders proposing matters for the meeting agenda, or names of individuals to be selected and proposed to serve as Directors.



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 (including sustainability development for society and the environment)

The Company looks after and treats the surrounding society fairly on the basis of human rights principles to achieve mutual sustainable development. The Company has identified stakeholder groups and has guidelines and policy on maintaining the existing rights of every group⁵⁴ as appropriate. This includes the prevention, solution or remedy of impacts arising from the Company's operations, whether directly or indirectly, and the holding of activities and maintaining good relationships with each of the stakeholder groups, which comprise shareholders, employees and the workforce, customers, suppliers, trade competitors, creditors and surrounding communities. Key guidelines and operations are as follows:


Shareholders: The Company's Board of Directors is appointed by shareholders to provide oversight of management in managing the business to achieve its goals and follow the stipulated operating guidelines for the Company's sustainable growth, and for shareholders to receive their appropriate returns on investment. The Company discloses financial information and other matters in an adequate, transparent and reliable manner, which would not cause misunderstanding on any significant matter, and be sufficient for shareholders to consider making investment decisions. The office of Investor Relations and Capital Markets and the Office of the Company Secretary are the key departments with duty to communicate with the Company's investors and shareholders. Besides this, the Company has designated policies of using internal information and securities trading to promote equal treatment for shareholders in the use of information for their decisions to invest in the securities, which includes ethics in using internal information by the Company's directors, executives and employees.

Employees: The Company looks after and treats its employees of all levels on the principles of human rights which are consistent with the United Nations Universal Declaration of Human Rights, whether through equal treatment of employees, or the development of human resources according to the appropriate potential of expertise, coupled with upgrading quality of life for personnel, including remuneration that is appropriate for a good living in line with local economic and social conditions, and including looking after employees' families.

Besides internal management, the Company has also expanded the scope of operations in human rights and good labour practices to cover the operations of business partners, in which the Company disseminates its policies on human rights and good labour practices for business partners to acknowledge and put into practice as appropriate.

⁵⁴ 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

<p>Customers: The Company gives the highest priority to manufacturing quality products at reasonable prices, while also paying attention to providing service end-to-end. This commitment is not only limited to the Company's own manufacturing chain, but the value chain in every location that the Company operates. That is, throughout the product life cycle from start to finish, or from the source of raw materials to consumers worldwide, under international manufacturing standards and stringent quality controls, which aligns with policies on food safety and quality. These include policies of traceability in which a product can be traced to its manufacture. There is also the creation of innovation and efforts in research and development to improve efficiency at every stage of operations so that food products are consistent with consumer satisfaction and behaviour. The Company also conducts sales and marketing operations responsibly and honestly, presenting correct information that matches reality, and complying with all pertinent laws and regulations, while communicating product information through correct and clear labelling with sufficient information to support consumer buying decision.</p>	Nutritional Information		Products under trademark  provide important nutritional information in foods as required by law.
	Guideline Daily Amounts		One-dish main meal products requiring refrigeration or freezing throughout the shelf period, under the trademark  provide nutritional information on energy, sugar, fat and sodium, which can contribute to non-communicable diseases.
	Specific Information		Products provide additional ingredient and nutritional information, such as allergen information and halal mark.
	Healthier Choice Symbol		A simple logo enables consumers to choose better nutritious food products and make purchasing decisions faster.
	Additional Information		Products provide information on how to use, store and handle packaging after use.

<p>Complaint Management</p>  <p>CPF Consumer Center 0 2800 8000 consumercenter@cpf.co.th</p> <p>Quality e.g. color, odor, taste Within 5 days</p> <p>Safety e.g. extraneous materials Within 3 days</p> <p>Emergency e.g. consumers feel sick Within 24 hours</p>	<p>CPF Consumer Center offers integrated services in providing information, receiving complaints, and servicing, as well as taking orders and delivering the Company's products. The Company has set three levels of complaint management based on the severity of the issues. The CPF Consumer Center acts as a central operator sending the complaints to responsible departments, and following up with the investigation until the issue is resolved. Complaints received from other communication channels will also be sent to the CPF Consumer Center to be processed. The Company has an ultimate goal to have zero product recalls due to safety and quality issues. Also, every year the Company surveys customer satisfaction with CPF-branded products using an online survey to help the Company identify positive customer experiences in order to develop, improve, and optimize products to best meet customer needs. The satisfaction levels of consumers in CPF-branded products for 2022 were scored at 7.96 out of 10.00.</p>
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Partners: The Company treats suppliers with equality and fairness, including paying respect and recognize that each supplier is one among the Company's business partners. Selection of business partners shall be made on the basis of the Company's best interest, whereby the selection process must be unbiased. All contracts must be clearly defined, both type of products or services and term of payments. The contracts entered into are approved by the relevant managers as appropriate. The Company also prioritizes upgrading suppliers' capabilities to adapt to the current situation and operate responsibly towards society and the environment. The Company has collaborated with the state sector and the relevant organizations to transfer knowledge to suppliers for them to develop and improve their operations to meet international standards of labour, safety and hygiene in the production process, and at the workplace, and management of the environment. This generates opportunities for suppliers to grow and become bigger business concerns, or become a producer at the national or even global level. In 2023, the Company joined leading global consultants to implement the following programs to support suppliers:

- **Food Safety Culture - Food Defense - Food Fraud** training courses for SMEs to support SMEs to be up-to-speed on manufacturing and sourcing raw materials that are safe to international standards. For instance, the BRC standard is required for food manufactured for export to Europe and the United Kingdom, and FSSC22000 (IFS) is a food safety traceability standard promoting transparency in the food supply chain.
- A collaboration with Bangkok Bank Public Company Limited to launch the program "**CPFxBBL Liquidity Scheme for Suppliers**", to provide the Company's suppliers access to low-cost financial assistance, helping entrepreneurs to keep their businesses in operation, and particularly SMEs which account for 60% of all suppliers.
- Extension of **Faster Payment** program to the end of 2022 (program started in October 2020) to provide a 30-day credit term to SMEs to help their cashflow and secure their business continuity, which also supports national economic growth.
- Implementing the "**Self-sufficient farmers, sustainable corn**" project to tackle forest encroachment problem sustainably for the economic, social and environmental balance. This project will equip farmers with the knowledge in productivity enhancement as well as plantation techniques that will lower greenhouse gas emissions, while allowing farmers to sell directly to end users through a transparent purchasing system with fair prices, and having an improved better living condition.

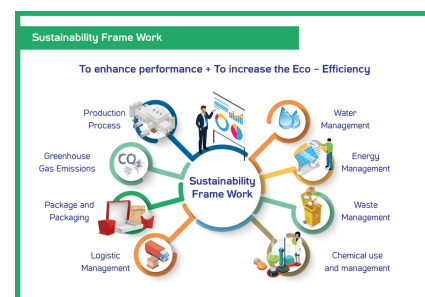
Alongside programs supporting suppliers in Thailand, the Company's overseas subsidiaries have supported suppliers in those countries, both with training and seminars to provide knowledge about running an industrial agricultural business sustainably and securely. This includes credit term improvement to maintain liquidity of their business partners and CPF Capacity Building for Partnership 2022 project to educate and communicate policies and guidelines for procurement that are responsible for the planet, without forest encroachment and illegal labor, to overseas partners. This will help support partners to modernize their operations and produce environmentally friendly products. Moreover, the Company also helps partners to access low-cost funding sources.

The Company believes that secure and sustainable success rests on a basis of systematic social and environmental responsibility throughout business operations. The Company has thus prescribed **Sustainable Sourcing Policy and Supplier Guiding Principle** to be confident that being a partner in business operations between the Company and its suppliers is compliant with the pertinent laws and regulations. This kind of policy and practice does not only help develop potential and upgrade competitive capabilities for long-term growth; it is also an opportunity for the Company and its suppliers to engage in creating a balance and developing society and the environment overall, sustainably and securely.

Trade Competitors: The Company believes that fair competition benefit entrepreneurs, partners and consumers. Therefore, the Company has conducted its businesses in complied with fair trade-competition law. The Company shall not injure the reputation of any trade competitor by making an adverse accusation and not take advantage of trade competitors by any dishonest means. Acquiring trade competitors' secrets from their former or current employees is also prohibited. In 2022, the Company has no legal disputes with trade competitors.

Creditors: The Company has set up a system to monitor and control strict compliance with the Company's obligations towards its creditors in order to safeguard the Company's reputation as well as clearly and fairly prescribe commercial terms and conditions, such as the provision of guarantee and the action to be taken in the case of default of payment. The Company has never defaulted on principal and interest payments.

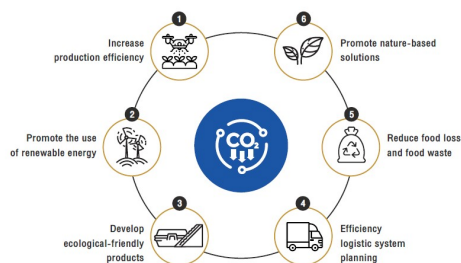
Community and Society: Recognizing values and importance of natural resources and environmental which are completed upstream factors and fundamentals of agro-industry and food security, the Company has placed high importance responsible uses of resources and mitigation of environmental impacts caused by continuous business operations. In addition, the Company is also committed to advancing well-being of animals and protection of protecting the environment throughout the value chain. In 2022, the Company has implemented projects for the community and society as appeared in the Sustainability Report 2022.



Additionally, the Company also moves towards a **Low-Carbon Organization**, focusing on 6 key operations in accordance with the **Circular Economy**:

1. Increase production efficiency by reducing energy consumption per production unit;
2. Promoting the use of renewable energy in various forms;
3. Develop ecological-friendly products to reduce the impact of climate change such as low-carbon products;
4. Efficiency logistic system planning to optimize fuel usage and cargo compartment area, monitoring the amount of goods loaded, and ensuring the fullest load possible each day;
- 5 Reduce waste, food loss and food waste in the manufacturing processes to zero within 2030 to minimize waste amounts at landfill and incineration sites;
6. Promote nature-based solutions through responsible sourcing, as well as protecting biodiversity through the execution of various projects and increasing green space in the establishment to absorb carbon dioxide.

6 CLIMATE CHANGE ACTIONS, ACCORDING TO CIRCULAR ECONOMY PRINCIPLES, TO MOVE TOWARDS "LOW-CARBON ORGANIZATION"

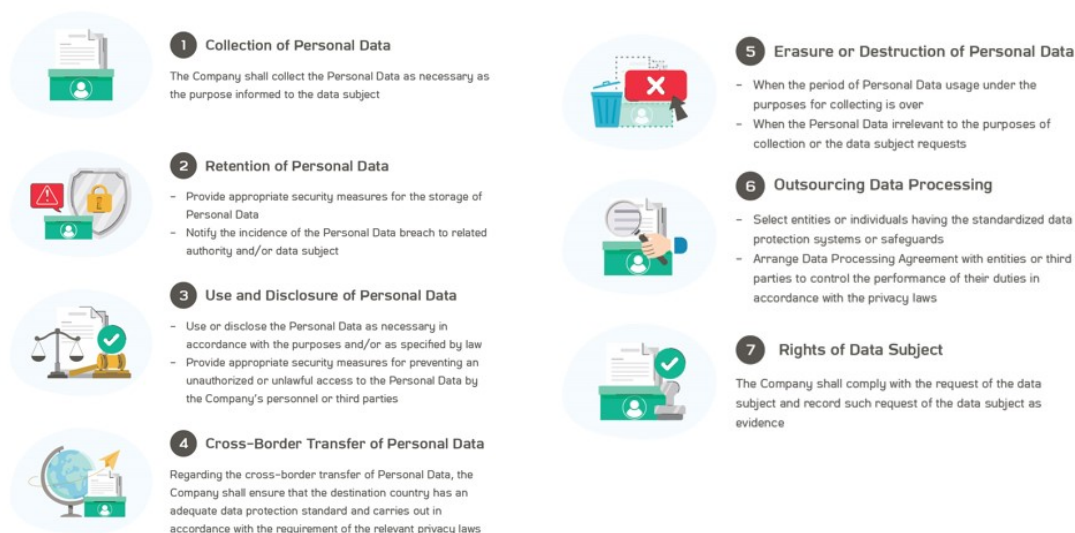


The Company's commitment to reducing greenhouse gas emissions is also cascaded to farmers and suppliers throughout the supply chain to ensure a mutual standard and alignment in order to attain sustainable food production.

Besides guidelines and operations to look after each group of stakeholders, the Company also gives priority to protecting all stakeholders' personal data. The Company is committed to protecting personal data safety in compliance with the law and acceptable international standards. It has thus implemented the Personal Data Protection Policy as good practice for employees at every level to conduct fully legal operations. Besides this, the Company has also made announcements about Privacy Notice to inform the owners of personal data that they should be confident that every transaction they have made with the Company is secure, safe and trustworthy and with appropriate measures in place to prevent loss and damage from the use of personal data to seek dishonest advantage. Personal data protection policies identify key guidelines for the corporation as follows.

Personal Data Protection Policy

Guidelines



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 an information security policy, use of inside information and securities trading policy and guideline for information disclosure to ensure that all disclosure of material change that has a significant effect on the price or value of the securities shall 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.

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:



Moral

Conflict of Interest Policy
Anti-Corruption Policy
No Gift Policy



Quality

Sustainability Policy
Supplier Code of Conduct
Supply Chain Management Policy



Personnel

Human Rights and Labor Practices Policy
Whistleblowing Policy
Personal Data Protection Policy
Occupational Health and Safety Policy



Asset

Information Management Policy
Anti-Money Laundering Policy

- 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-56-1-2022/attachment>.

6.3 Major Changes and Developments of Implementation of Corporate Governance in 2022

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 2022, the Company had performed as follows:

- **Revised corporate governance and sustainable development targets and adjusted pertinent policies** such as the use of internal information and the trading of securities;
- **Appointed Professor Dr. Kittipong Kittayarak as Lead Independent Director**, effective December 14, 2022, to participate in determining the agenda of the Board of Directors' meeting;
- 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;
- **Prepared online learning materials about corporate governance and sustainable development** for all management and employees both domestic and overseas to enhance the awareness and adapt to their responsibilities such as corporate governance, business ethics, anti-corruption, CPF Value, CPF Integrated Value Chain and cyber-security;
- **Continuously Promoted knowledge about governance, risk management and compliance oversight** through electronic media in the Company.
- **Changed the form of information reporting on the interest of directors and executives to an online system.** This will facilitate both reporting channel and data access which will make the database always updated.
- Conducted an **employee engagement survey** to determine guidelines for improving and enhancing employee engagement as they play a key role in driving the organisation towards sustainability;
- Communicated **newly issued laws** or amendments to executives and employees both domestically and internationally;
- **Studied the principles and concepts of corporate sustainability and corporate governance of international sustainability assessment agencies** to be taken into consideration for organizational development;
- **Organized training to refresh knowledge on human rights and human rights practices**, such as refreshment of regulations and procedures for foreign workers Knowledge of labor rights and labor standards for foreign workers;
- **Driving Deforestation policy in a globally responsible sourcing** by announcing a goal against deforestation to zero covering the operation of the Company and business partners both domestically and internationally in supplying agricultural raw materials to the Company;
- **Implemented the Circular Meal (Zero Food Waste) project to manage excess food for vulnerable groups;**
- Signed a commitment to the Science Based Target Initiative (STBi) to set a goal to drive the organization towards Net-Zero greenhouse gas emissions by 2050 with a proactive strategy.

Nonetheless, there were certain principles of conduct according to the CG Code that the Company was still unable to implement in 2022, 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

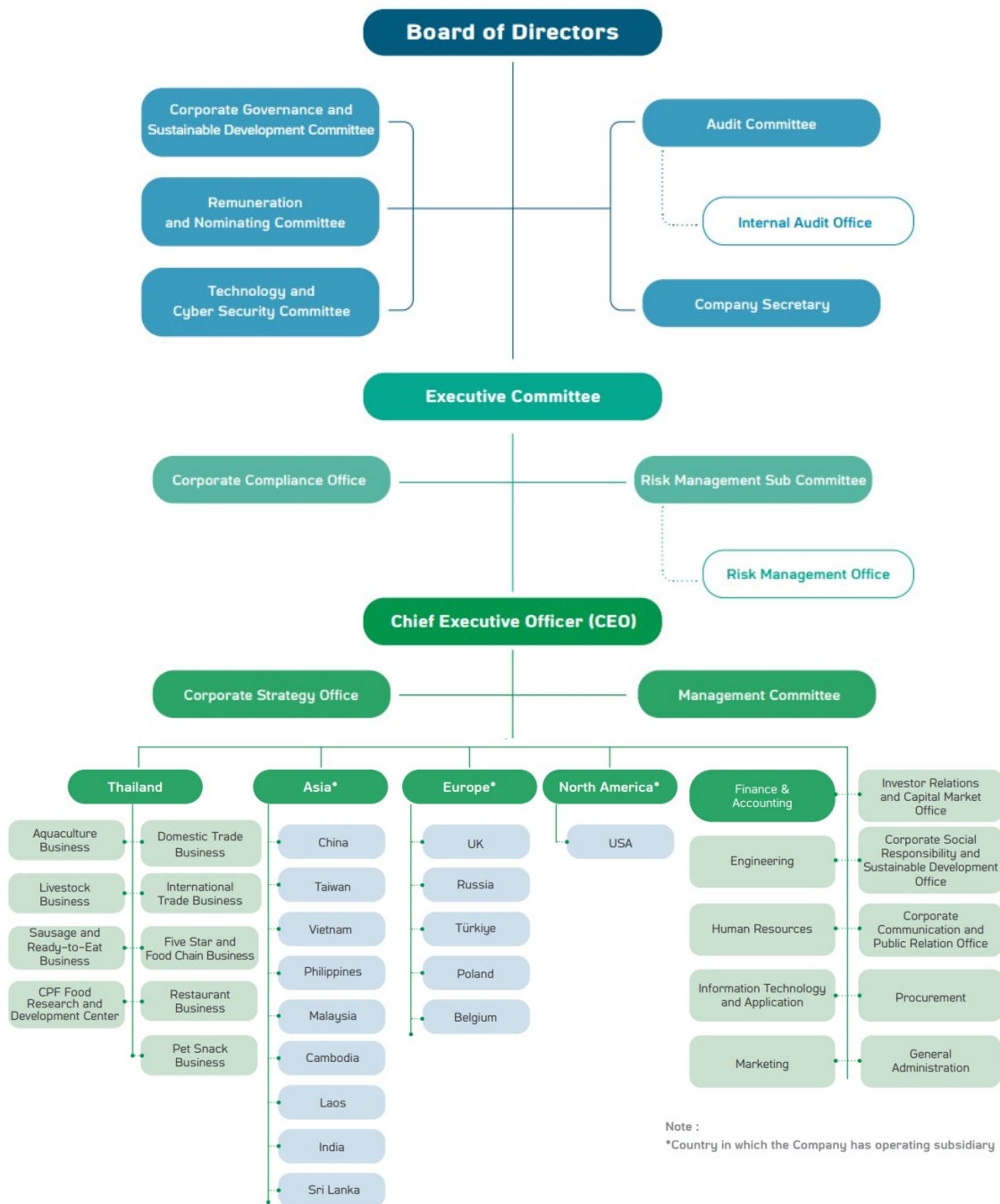
The Company has clearly determined guidelines on conflicts of interest. The authorities have been given to independent directors for convening of meetings without participations of other directors or executives in

considerations of matters deemed appropriate by independent directors, which are to be proposed to the Board of Directors. However, the Board of Directors' meeting held on December 14, 2022 resolved to appoint **Professor Dr. Kittipong Kittayarak** as the Lead Independent Director to jointly consider the agenda for the Board of Directors' meeting with the Chairman.

3. The Board of Directors considers that the structure of the Board of Directors which consists of 10 non-executive directors (50% of which are independent) representing 66.67% of the board and 5 executive directors representing 33.33% 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^{/56}

7.1 The Company's management structure as of February 16, 2023



^{/56} "Company" referred to in Part 2, Clause 7.2 to 7.3, means Charoen Pokphand Foods Public Company Limited or CPF

7.2 Board of Directors

As of February 16, 2023, CPF's Board of Directors consisted of the following 15 directors:

Name	Surname	Position
1. Mr. Soopakij	Chearavanont	Chairman ⁽¹⁾
2. Mr. Phongthep	Chiaravanont	Vice Chairman ⁽¹⁾
3. Mr. Suphachai	Chearavanont	Vice Chairman ⁽¹⁾
4. Mr. Adirek	Sripatak	Vice Chairman ⁽¹⁾
5. Mr. Rungson	Sriworasat	Director ⁽²⁾
6. Pol. Gen. Phatcharavat	Wongsuwan	Director ⁽²⁾
7. Mrs. Vatchari	Vimooktayon	Director ⁽²⁾
8. Mr. Vinai	Vittavasarnvej	Director ⁽²⁾
9. Professor Dr. Kittipong	Kittayarak	Director ^{(2) (3)}
10. Mrs. Arunee	Watcharananan	Director ⁽¹⁾
11. Mr. Prasit	Boondoungprasert	Director ⁽¹⁾
12. Dr. Sujint	Thammasart, D.V.M.	Director ⁽¹⁾
13. Mr. Siripong	Aroonratana	Director ⁽¹⁾
14. Mr. Paisan	Chirakitcharern	Director ⁽¹⁾
15. Mr. Montri	Suwanposri	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

⁽³⁾ Lead Independent director

Mrs. Kobboon 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 February 16, 2023, the Company's Board of Directors comprised 10 non-executive directors (50% of which are independent) representing 66.67% of the board and 5 executive directors representing 33.33%. 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 prudential discretion;
- (3) To give the casting vote in the case of the votes of the Board are tied;

- (4) Oversee and ensure that the board and committees are functioning effectively to achieve the organization's objectives and strategic goals;
- (5) Strengthen relations between the board and management and supervise the Board of Directors to promote ethical behavior and good corporate governance throughout the Company
- (6) 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 February 16, 2023, 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. Mrs. Vatchari	Vimooktayon	Member of the Audit Committee
3. Mr. Vinai	Vittavasarnvej	Member of the Audit Committee
4. Professor Dr. Kittipong	Kittayarak	Member of the Audit Committee

Ms. Wipawan Pramoonkwamdee, Head of Internal Audit and Risk Management Department, serves as Ex Officio Secretary of the Audit Committee.

Mr. Rungson Sriworasat, Mrs. Vatchari Vimooktayon and Mr. Vinai Vittavasarnvej, 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 2022, the Audit Committee held 8 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.

Corporate Governance and Sustainable Development Committee

The current Corporate Governance and Sustainable Development Committee was appointed on November 16, 2021, by integrating the duties and authorities of the Corporate Governance Committee and the Corporate Social Responsibility and Sustainable Development Committee in order to drive sustainable development based on good corporate governance to achieve the utmost efficiency and effectiveness, with a term period of three years or expire on November 16, 2024. As of February 16, 2023, the Corporate Governance and Sustainable Development Committee comprises four members: three members are independent directors, and the remaining is an non-executive director, as follows:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Corporate Governance and Sustainable Development Committee Committee
2. Pol. Gen. Phatcharavat	Wongsuwan	Member of the Corporate Governance and Sustainable Development Committee Committee
3. Professor Dr. Kittipong	Kittayarak	Member of the Corporate Governance and Sustainable Development Committee Committee
4. Mr. Adirek	Sripatak	Member of the Corporate Governance and Sustainable Development Committee Committee

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

Roles and Responsibilities of the Corporate Governance and Sustainable Development Committee

- (1) To establish key policies and goals related to corporate governance and sustainable development in accordance with the Company's business operations, taking into account economic growth, environment and society to propose to the Board of Directors for approval.
- (2) To approve strategies and guidelines for corporate governance and sustainable development, as well as to encourage actions taken to achieve Company's sustainability goals.
- (3) To supervise, monitor and evaluate the performance of corporate governance and sustainable development, as well as reporting the progress to the Board of Directors for acknowledgment.
- (4) To review goals and related policies in order to ensure that they suit the business conditions, complying with international laws or best practices, as well as recommendations of various institutions, and proposing such to the Board of Directors.
- (5) To perform any other tasks related thereto as assigned by the Board of Directors.

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, 2024. As of February 16, 2023, the Remuneration and Nominating Committee comprises four members: two members are independent directors and two

members are non-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. Mr. Vinai	Vittavasgarnvej	Member of the Remuneration and Nominating Committee
4. Mr. Adirek	Sripatak	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 2022, the the Remuneration and Nominating Committee held 3 meetings.

Technology and Cybersecurity Committee

The Board of Directors has appointed the Technology and Cybersecurity Committee to help regulate the use of technology and cybersecurity to ensure efficiency and effectiveness, which have to be in line with future business goals. The Committee is also responsible to support the Board of Directors in formulating long-term strategies and on the Group's technology and cybersecurity risk management. As of February 16, 2023, 7 members of CPF's Technology and Cybersecurity Committee are as follows:

Name	Surname	Position
1. Mr. Adirek	Sripatak	Chairman of the Technology and Cybersecurity Committee
2. Mr. Prasit	Boondoungprasert	Member of Technology and Cybersecurity Committee
3. Mr. Paisan	Chirakitchareern	Member of Technology and Cybersecurity Committee
4. Mr. Praderm	Chotisuparach	Member of Technology and Cybersecurity Committee
5. Mr. Sunsern	Samaisut	Member of Technology and Cybersecurity Committee
6. Mrs. Kobboon	Srichai	Member of Technology and Cybersecurity Committee
7. Mr. Thossaporn	Petporee	Member of Technology and Cybersecurity Committee

Roles and Responsibilities of the Technology and Cybersecurity Committee

- (1) To promote and support the implementation of technology, including related investments and cybersecurity.
- (2) To oversee the strategy and the direction of technology to be in line with Company's strategies.
- (3) To review the governance practices on the use of technology and cybersecurity.
- (4) To review the compliance with the policies and guidelines set forth.
- (5) To report the performance appraisal based on applicable policies to the Board of Directors.

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 February 16, 2023, the members of CPF's Executive Committee are as follows:

Name	Surname	Position
1. Mr. Adirek	Sripatak	Chairman of the Executive Committee
2. Mr. Sooksunt	Jiumjaiswanglerg	Vice Chairman of the Executive Committee
3. Mrs. Arunee	Watcharananan	Vice Chairperson of the Executive Committee
4. Mr. Sukhawat	Darnsermsuk	Vice Chairman of the Executive Committee
5. Mr. Sompop	Mongkolpitaksuk	Member of the Executive Committee
6. Mrs. Phatanee	Leksrisonpong	Member of the Executive Committee
7. Mr. Prasit	Boondoungprasert	Member of the Executive Committee
8. Mr. Paisan	Chirakitchareon	Member of the Executive Committee
9. Dr. Sujint	Thammasart, D.V.M.	Member of the Executive Committee
10. Mr. Siripong	Aroonratana	Member of the Executive Committee
11. Mr. Voravit	Janthanakul	Member of the Executive Committee
12. 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. During 2022, the Executive Committee held 9 meetings.

Authorities of the Executive Committee:

The Executive Committee has authorities to approve the following matters

- (1) The acquisition or disposition by CPF or subsidiaries
 - (1.1) Purchase or acquisition or merger in form of acquisition of an investment in shares or equity of any juristic person or assets by CPF or its subsidiaries with a transaction value not exceeding THB 800 million;
 - (1.2) Sale or disposition of businesses in any forms by CPF or its subsidiaries with a transaction value not exceeding THB 800 million;
 - (1.3) Investment or shareholding restructuring within the group by means of sale and purchase of shares or businesses or merger within the group.
- (2) Capital Expenditure
 - (2.1) Use of capital expenditure of CPF or subsidiaries included in an annual budget, where the value of the project is more than THB 100 million but not exceed THB 800 million;
 - (2.2) Approval and use of Capital expenditure of CPF or subsidiaries included in an annual budget, where the expenditure is 10% over the approved budget and the total value of the project after the budget overrun is more than THB 100 million but not exceed THB 800 million and;
 - (2.3) Approval and use of capital expenditures not included in an annual budget, where the value of the project is more than THB 50 million but not exceed THB 400 million;
 - (2.4) The transactions requiring registration with Land Office.
- (3) Business rehabilitation, dissolution or liquidation of subsidiaries.
- (4) Financial and accounting management
 - (4.1) Accept trade finance / working capital facilities between CPF and financial institutions;
 - (4.2) Accept or provide long-term loan between CPF and its subsidiaries;

- (4.3) Accept or provide loan between CPF or its subsidiaries and associates;
- (4.4) Foreign exchange and interest rate risk management with partial exposure of CPF or its subsidiaries;
- (4.5) Creation of obligations by mortgage, pledge or causing other encumbrances or insure over assets of subsidiaries;
- (4.6) Grant for the amount of debentures, bills of exchange and other debt instruments of subsidiaries;
- (4.7) Opening a trading account of CPF;
- (4.8) Changes in CPF's accounting policies that provide alternatives and significantly affect the financial statements;
- (4.9) Selling or disposing of fixed assets that are no longer in use to other persons;
- (4.10) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than THB 100 million.
- (5) Personnel
 - (5.1) Appointment, removal and remuneration determination of directors of subsidiaries in accordance with the criteria approved by the Board of Directors;
 - (5.2) Nomination, appointment, removal of directors of associated companies and/or companies with joint venture agreements, in accordance with the rights of CPF or its subsidiaries under the joint venture agreement or by law;
 - (5.3) Appointment, removal and determination of remuneration of the President or the equivalent of subsidiaries;
 - (5.4) 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;
 - (5.5) Determination of employee compensation and benefits policies.

Primary Responsibilities of the Executive Committee:

- (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
 - (1.1) Corporate strategies, goals & long-term business plan and annual budgets of the group;
 - (1.2) Capital increase or decrease of CPF, subsidiaries or associates;
 - (1.3) The conversion of a subsidiary into a public company and listed its shares in the stock market;
 - (1.4) The establishment of new subsidiary;
 - (1.5) Delisting of the Subsidiaries from being listed on the stock exchange;
 - (1.6) Purchase or acquisition or merger in form of acquisition of an investment in shares or equity of any juristic person or assets by CPF or its subsidiaries with a transaction value more than THB 800 million;
 - (1.7) Sale or disposition of businesses in any forms by CPF or its subsidiaries with a transaction more than THB 800 million;
 - (1.8) Use of capital expenditure of CPF or subsidiaries included in an annual budget, where the value of the project is more than THB 800 million;
 - (1.9) Approval and use of Capital expenditure of CPF or subsidiaries included in an annual budget, where the expenditure is 10% over the approved budget and the total value of the project after the budget overrun is more than THB 800 million;
 - (1.10) Approval and use of capital expenditures not included in an annual budget, where the value of the project is more than THB 400 million;
 - (1.11) Accept long-term loan from financial institution;
 - (1.12) Creation of obligations by mortgage, pledge or causing other encumbrances or insure over assets of CPF;
 - (1.13) Grant for the amount of debentures, bills of exchange and other debt instruments of CPF;
 - (1.14) Sale or distribution of land, buildings and constructions which are no longer in use for other persons of CPF or its subsidiaries with an appraised value of more than 800 million baht;

- (1.15) Proposal for appointment, removal, evaluation of performance and determination of a succession plan for the Chief Executive Officer (CEO) of CPF;
- (1.16) Proposal for appointment, removal of company secretary;
- (1.17) Amendment to the guideline stipulating the scope, authority and financial limit of directors and executives of CPF and its subsidiaries;
- (1.18) Approval of Code of Conduct, targets and key policies at the group level;
- (1.19) Annual risk management plan of the group;
- (1.20) Annual compliance plan of the group.
- (2) To monitor the the following matters performed by management team
 - (2.1) The performance according to the goal, long-term business plan and annual budget;
 - (2.2) The progress of investment project and its actual performance compared to the budget of each project;
 - (2.3) The progress of human resources development plan.
- (3) To conduct an annual evaluation of the performance of the top management.

In addition to the above 5 committees, the Company, by Chairman of the Executive Committee, also established **Risk Management Sub-committee** with the Chief Finance Officer being the President is responsible for reviewing key risks of the Company and determining risk management measures by collaborating with all related departments as the risk owner. In this regard, the Risk Management Sub-committee will monitor risks and follow the progress in the implementation of measures, which will be discussed in quarterly meetings.

7.4 Executives

As of February 16, 2023, CPF's executives and top management of main businesses comprises the following:

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| 1. Mr. Prasit Boondoungprasert ^{/57} | Chief Executive Officer (CEO) |
| 2. Mr. Siripong Aroonratana ^{/57} | Chief Operating Officer - Livestock Business |
| 3. Dr. Sujint Thammasart, D.V.M. ^{/57} | Chief Operating Officer - Aquaculture Business |
| 4. Mr. Paisan Chirakitchareon ^{/57} | Chief Financial Officer |
| 5. Ms. Pimonrat Reephattanavijitkul ^{/57} | Chief People Officer |
| 6. Mr. Rewat Hathaisattayapong | Head of Livestock Feed Business |
| 7. Mr. Somporn Jermpong | Head of Swine Business |
| 8. Mr. Panuwat Niamprem | Head of Integrated Poultry Business |
| 9. Mr. Somkid Wannalukkhee | Head of Layer Business |
| 10. Mr. Pairoj Apiruknusi | Head of Integrated Aquaculture Business (Thailand) |
| 11. Mr. Sujarit Mayalarp | President - CPF Global Food Solution Plc. ^{/58} (Domestic Trade Business) |
| 12. Mr. Ekpiya Ua-wuthikrerk | President - CPF Food Network Co., Ltd. (International Trade Business) |
| 13. Mr. Sunthorn Jaksukan | President - CPF Restaurant and Food Chain Co., Ltd.
(Five Star and Food Chain Business) |
| 14. Ms. Lalana Boonngamsri | President - Chester Food Co., Ltd. (Restaurant Business) |
| 15. Mr. Kitisak Limamphai | President - International Pet Food Co., Ltd. (Pet Snack Business) |
| 16. Mr. Paisarn Kruawongvanich | Chief Executive Officer - Feed Ingredient Trading Business Group |
| 17. Mr. Robins Pharr McIntosh Jr. | Head of Aqua Broodstock Business |
| 18. Dr. Ming Dang Chen | Head of Aquatic Feed Research and Development |
| 19. Mrs. Wilailuck Klodpeng | Acting Head of Corporate Food Quality Assurance |
| 20. Mr. Narerk Mangkeo | President - CPF Food and Beverage Co., Ltd. (Ready-to-Eat Food Business) |
| 21. Mr. Peerapong Krinchai | Head of Central Engineering |
| 22. Mr. Premsak Wanuchsoontorn | Head of Aquaculture Research and Development |
| 23. Ms. Naline Robinson | Head of Research and Development |

^{/57} 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

^{/58} CPF Trading Co., Ltd. converted to CPF Global Food Solution Plc. on March 21, 2023

24. Mrs. Wanthanee Chamnanshettakarn	Head of Egg Processing, Bread and Ready to Eat Paet Riew Business
25. Mr. Sunsern Samaisut	President - CPF IT Center Co.,Ltd. (Information Technology and Applications)
26. Mr. Voravit Janthanakul	Executive Vice President - General Administration Unit
27. Mrs. Kobboon Srichai	Company Secretary & Head of Corporate Affairs and Investor Relations

Executives who are responsible for International area comprises the following:

1. Mr. Bai Shanlin	President - China
2. Mr. Montri Suwanposri	President - Vietnam
3. Mr. Nick Shaw	Group Managing Director - United Kingdom
4. Mr. Thong Chotirat	President - Republic of China (Taiwan)
5. Mr. Chairat Anchaleechamaikorn	President - India Livestock Business
6. Mr. Sirapong Na Pongsa	Acting President - India Aquaculture Business
7. Mr. Anat Julintron	Chief Executive Officer - United States
8. Mr. Sakol Cheevakoset	President - The Philippines
9. Mr. Montree Srihamontree	President - Malaysia Livestock Business
10. Mr. Wirat Phothiphan	President - Malaysia Aquaculture Business
11. Mr. Thomas Norgaard	President - Russia Swine Business
12. Mr. Buree Srina	General Director - Russia Integrated Poultry Business
13. Mr. Wittaya Kreangkriwit	President - Cambodia
14. Mr. Mehmet Ali Tekin	President - Türkiye
15. Mr. Thamnong Pholthongmak	President - Laos
16. Mr. Piotr Her	President and Chief Executive Officer - Poland
17. Mr. Michael Tops	Managing Director - Belgium
18. Mr. Habeeb Mohamed Ziauddin	Managing Director - Sri Lanka

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 THB 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 2022 for 5 executives^{/59} amounted to a total of THB 186 million, which included monthly salary and other benefits. Total CPF shares value held by the said executives / total executives' remuneration was 1.3 times.

Other remuneration - None -

7.5 Personnel

As of December 31, 2022, the Company had a total of 135,284 employees and workers who received remuneration in 2022 totaling THB 60,948 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	38,986	81,783
2. Central units	11,927	2,588
Total	50,913	84,371

* 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

Head of Internal Audit and Risk Management

Ms. Wipawan Pramoonkwamdee

Head of Compliance

Mr. Sunpeera Ninkham

Head of Investor Relations and Capital Market

Mrs. Kobboon 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

^{/59} 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

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 2022 to the Annual General Shareholders' Meeting No.1/2022. The Meeting then approved as proposed.

The remunerations that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited and its related companies in 2022⁽¹⁾, were as follows:

(Unit : THB)	CPF	Subsidiaries
1. The audit fees on company's accounts	3,977,000	82,962,418
2. Other audit fees on special projects	160,000	720,000
3. Other fees	326,000	15,413,544 ⁽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 and Sustainable Development 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. 1/2022, namely;

1. Mr. Soopakij Chearavanont
2. Mr. Adirek Sripratak
3. Mr. Vinai Vittavasgarnvej
4. Professor Dr. Kittipong Kittayarak
5. Mr. Paisan Chirakitchareern

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 Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Vinai Vittavasgarnvej, Professor Dr. Kittipong Kittayarak and Mr. Paisan Chirakitchareern to the shareholders' meeting to consider re-appointment as directors for another term. The Annual General Shareholders' Meeting No. 1/2022 approved accordingly. In addition, during 2022, Mr. Montri Suwanposri has been appointed to be the director replacing Professor Dr. Pongsak Angkasith who resigned his position.

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.

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. More than 90% of total number of directors have completed training courses specifically for directors organized offered by the Thai Institute of Directors. In 2022, 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 5 directors participating in the trainings and seminars on the courses related to performing director duties, as follows:

- | | |
|------------------------------|--|
| - Mr. Rungson Sriworasat | Director Refreshment Training Program No. 7/2022 by Thai Institute of Directors Association |
| - Mrs. Vatchari Vimooktayon | Director Refreshment Training Program No. 7/2022 by Thai Institute of Directors Association |
| - Mr. Vinai Vittavasgarvej | Director Refreshment Training Program No. 7/2022 by Thai Institute of Directors Association |
| - Mr. Paisan Chirakitchareon | TLCA CFO Professional Development Program (TLCA CFO CPD) No. 2/2022, Topic "Economic update for CFO" (May 25, 2022) by Thai Listed Companies Association |
| | TFRS Update and Practical Issues 2022 (September 19, 2022) by KPMG Thailand |
| - Mr. Montri Suwanposri | Director Certification Program No. 327/2022 by Thai Institute of Directors Association |

Regarding the director performance appraisal, the Remuneration and Nominating Committee annually reviewed and approved the revisions of the performance appraisal forms for the Board, the individual director and the committees. The Board assessment covers three major areas, i.e. (1) structure and qualifications of the Board (2) roles and responsibilities of the Board and relationship with management. 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, assessed by the Remuneration and Nominating Committee, for the year 2022 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.

For the performance evaluation of individual directors, each 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 for the year 2022 was excellent and can be 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 covering three major areas, i.e. (1) structure and qualifications of the sub-committee, (2) roles and responsibilities of the sub-committee and (3) meeting of the sub-committee. The assessments for the year 2022 of Audit Committee, Corporate Governance and Sustainable Development Committee and Remuneration and Nominating Committee were excellent.

In this regard, the Board of Directors will be informed of the results of the performance assessment of the Board of Directors. individual director and sub-committees annually. The Board of Directors will take all evaluation results into consideration in order to improve the efficiency of the Board of Directors' duties, individual director and sub-committees.

8.1.2 Directors' Attendance and Remuneration

Directors' Attendance at the Meetings in 2022

Name Surname		Number of Meetings Attended ⁽¹⁾				Annual General Shareholders' Meeting No. 1/2022
		Directors Meeting				
		Board of Directors	Audit Committee	Remuneration & Nominating Committee	Corporate Governance & Sustainable Development Committee	
1. Mr. Soopakij	Chearavanont	9/9				Attend
2. Mr. Phongthep	Chiaravanont	9/9				Attend
3. Mr. Suphachai	Chearavanont	8/9		3/3		Attend
4. Mr. Adirek	Sripatak	9/9		3/3	2/2	Attend
5. Mr. Rungson	Sriworasart	9/9	8/8		2/2	Attend
6. Pol. Gen. Phatcharavat	Wongsuwan	9/9		3/3	2/2	Attend
7. Mrs. Vatchari	Vimooktayon	9/9	8/8			Attend
8. Mr. Vinai	Vittavasgarnvej ⁽²⁾	9/9	8/8	1/1		Attend
9. Professor Dr. Kittipong	Kittayarak ⁽³⁾	9/9	3/3		2/2	Attend
10. Mrs. Arunee	Watcharananan	9/9				Attend
11. Mr. Prasit	Boondoungprasert	9/9				Attend
12. Dr. Sujint	Thammasart, D.V.M.	9/9				Attend
13. Mr. Siripong	Aroonratana	9/9				Attend
14. Mr. Paisan	Chirakitcharern	9/9				Attend
15. Mr. Montri	Suwanposri ⁽⁴⁾	2/2				N/A
16. Professor Dr. Pongsak	Anokasith ⁽⁵⁾	6/6	4/4	1/1		Abstain

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

⁽²⁾ Being appointed as a member of Remuneration & Nominating Committee effective from August 15, 2022 in replacement of Professor Dr. Pongsak Angkasith who tendered his resignation.

⁽³⁾ Being appointed as a member of Audit Committee effective from August 15, 2022 in replacement of Professor Dr. Pongsak Angkasith who tendered his resignation.

⁽⁴⁾ Being appointed as a director effective from August 15, 2022 in replacement of Professor Dr. Pongsak Angkasith who tendered his resignation.

⁽⁵⁾ Resigned from his position as a director with effect from August 1, 2022.

In addition to the above meetings, non-executive directors held 1 meeting, during 2022, 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. 1/2022 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	THB 200,000 per month
Vice Chairman	THB 150,000 per month
Director	THB 100,000 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 : THB)	
		Chairman	Member
1. Audit Committee	per month	450,000	200,000
2. Corporate Social Responsibility and Sustainable Development Committee	per meeting	50,000	30,000
3. Remuneration and Nominating Committee	per meeting	50,000	30,000

The monetary remuneration in 2022 of the Board of Directors amounted to a total of THB 30.4 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 2022 to be approved by the Annual General Shareholders' Meeting No. 1/2023.

In addition, some directors also received remuneration as director of subsidiaries which amounted to THB 6.3 million. Remuneration of the Audit Committee for 2022 was THB 12.5 million. Details of these are given in the following table:

		2022			CPF shares value ⁽²⁾ held by each director / his (her) CPF director remuneration (times)
Name	Surname	CPF		Subsidiaries	
		Director ⁽¹⁾	Audit Committee	Director	
1. Mr. Soopakij	Chearavanont	3,433,900	-	773,548	-
2. Mr. Phongthep	Chiaravanont	2,575,900	-	-	10.59
3. Mr. Suphachai	Chearavanont	2,575,900	-	633,548	-
4. Mr. Adirek	Sripratak	2,575,900	-	1,201,333	1.39
5. Mr. Rungson	Sriworasat	1,717,400	5,400,000	-	-
6. Pol. Gen. Phatcharavat	Wongsuwan	1,717,400	-	-	-
7. Mrs. Vatchari	Vimooktayon	1,717,400	2,400,000	-	-
8. Mr. Vinai	Vittavasgarvej	1,717,400	2,400,000	-	-
9. Professor Dr. Kittipong	Kittayarak	2,154,700	906,667	-	-
10. Mrs. Arunee	Watcharananan	1,717,400	-	396,452	118.12
11. Mr. Prasit	Boondoungprasert	1,717,400	-	1,360,000	-
12. Dr. Sujint	Thammasart, D.V.M.	1,717,400	-	-	2.00
13. Mr. Siripong	Aroonratana	1,717,400	-	439,000	0.94
14. Mr. Paisan	Chirakitchareem	1,717,400	-	1,480,000	1.44
15. Mr. Montri	Suwanposri ⁽³⁾	896,633	-	-	N/A
16. Professor Dr. Pongsak	Angkasith ⁽⁴⁾	728,500	1,400,000	-	N/A

Remarks ⁽¹⁾ Director remuneration was calculated based on the accrual basis.

⁽²⁾ Calculated from closing price on December 30, 2022.

⁽³⁾ Being appointed as a director effective from August 15, 2022.

⁽⁴⁾ Resigned from his position as a director with effect from August 1, 2022.

8.1.3 Supervision of Subsidiaries and Associate Companies' Operations

CPF supervises its subsidiaries with the Board of Directors to consider and approve goals, strategies and business plans including important policies such as financial management, capital management, risk management, allocating and resources management. The Boards also supervises the management to implement such policies with efficiency and effectiveness. The Executive Committee is responsible for screening and monitoring closely. In addition, 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.

Corporate governance, which includes supervising the business, managing risk, compliance as well as internal control and internal audit, is conducted by central departments, to be confident that the Company's subsidiaries are conducting operations to the same standard in compliance with the pertinent rules, regulations and criteria. There is consistent monitoring, supervision and reporting of operations to the pertinent subcommittees appointed by the Board of Directors to consider or acknowledge (whichever is the case), such as the Audit Committee and the Corporate Governance and Sustainable Development Committee. Also, audit company of CPF will be appointed to be the auditors of all subsidiaries of CPF, which incorporated in Thailand. In case that some of CPF subsidiaries in other countries are not audited by the same auditor firm, CPF's Board of Directors is responsible for ensuring that such subsidiaries are able to prepare their financial statements within the schedules.

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 voting on such agenda.** Also, directors and executives as defined by the SEC are required to report their personal interests and those of related individuals to the company when they become a director for the first time, and when there is a change to the information. The Office of the Company Secretary will send a copy of this report to the Chairman of the Board and Chairman of the Audit Committee within 7 days since the receipt of such report so that the

Company will have supporting information for action according to stipulations concerning related transactions which may lead to a conflict of interest, and a transfer of the Company's benefits.

During 2022, the Company regularly communicated guidelines to prevent a conflict of interest to all directors, executives and employees through electronic means. The Company also changed the method of reporting information about the interests of directors and executives to be an online system which is convenient for both the reporting and access to data, with the database regularly updated to be current.



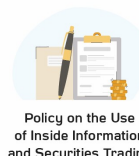
In 2022, the Company entered into related transactions which were (1) normal business transactions or supporting normal business which had general commercial terms and in accordance with the principles of entering into the transaction as prescribed in Section 89/12(1) of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which the Board of Directors approved in 2008, and (2) transaction 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, i.e. the acquisition of 80.00% additional ordinary shares of Tacharm Agricultural Industry Co., Ltd. The Company fully complied with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand.

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 **the policy on the use of inside information and securities trading** to ensure that important information concerning changes in the price or value of securities is correctly disclosed to the public, and is not in breach of the pertinent laws and regulations. All directors, executives, employees and workers must adhere to the same guidelines. This policy covers methods to manage internal information, types of internal information that must be disclosed, and the methods used to disclose internal information. It is stipulated for directors, executives and all persons with access to internal information to reports of their holdings and trading of the Company's securities within the stipulated timeframe. 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.

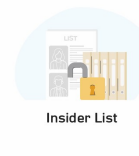
Information Control



Policy on the Use of Inside Information and Securities Trading



Information Security Policy and Standard



Insider List

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 2022, the policy on the use of inside information and securities trading has been reviewed and summarized the main substance for the Board of Directors. The policy has been communicated to every executives and employees through electronic media. During 2022, a director conducted a trading transaction in the Company's securities and fully complied with policy stipulated by the Company. It was not found that any director, executive or person with access to internal information conducted trades during blackout periods.

2. **Policies and standards for information and technology security** has been established to determine directions, principles and frameworks of stipulations in protecting property concerned with IT to be safe from cyber threats, which may damage the confidentiality, validity and availability of data and IT systems. This is to encourage internal control of IT to be stringent under a Risk Based Approach that is consistent with international standards. It is also to support employee awareness of the key importance of cyber-security, including giving priority to IT risk management.

3. 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.

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-56-1-2022/attachment>. In this regard, the Company has communicated the Anti-corruption Policy and related practices to employees at all levels through various forms and channels.

In 2022, 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 via various channels such as email, intranet system (CPF Connect) and Facebook, etc.;
2. Received a membership renewal from the Thai Private Sector Collective Action against Corruption or CAC, effective from March 31, 2021, onwards. Such certification will be valid for 3 years from the date of approval.
3. Awarded the CAC Change Agent Award 2022 for promoting SME suppliers to engage with CAC SMEs program for transparency in the supply chain, underlining the company's commitment to the principles of good corporate governance throughout the supply chain, and demonstrating the cooperation against corruption in the private sector. This has fostered the creation of a business network under the principles of good governance, and extended the anti-corruption collective to business partners.
4. Improved and revised the Anti-corruption training program to raise employee awareness and understanding as well as to ensure their proper conduct by providing learning materials in both online learning and offline learning formats, both domestically and internationally, for personnel in all countries to learn, understand, and apply it correctly at least once a year as stipulated by the Company as a policy, which requires all personnel to regularly review their knowledge and understanding.
5. Joined the virtual International Anti-Corruption Day (Thailand) 2022 under topic "Leader...in the fight against fraud"



Whistleblowing

The Company has announced the whistle blowing policy (<https://www.cpfworldwide.com/content/en/governance/whistleblowingpolicy.pdf>) in order to provide 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:

- 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.: 0-2780-8779 and 097-190-5848

Fax: 0-2780-8787

E-mail: iaooffice@cpf.co.th

Website: <https://www.cpfworldwide.com/th/contact/form>

- Consumer Center

Tel.: 0-2800-8000

E-mail: consumercenter@cpf.co.th

Whistleblowers, both employees Or third parties, business partners or business partners will receive appropriate protection from the Company, including protection from harassment whereas information about complaints will be kept confidential and not disclosed to unrelated persons unless it is necessary to be revealed according to legal provision. In addition, there will be no dismissal or suspension or job change or disciplinary action against the informant Including providing fairness and protection to 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 2022, the number of whistleblowing and complaints that had been submitted to the Company via various channels was 91 matters. After investigation, the Company found that 2 of which were fraud and 13 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	-	-	-	2 (2 people)
2. Non-compliance	13	6 (7 people)	6 (23 people)	-	1 (1 people)
3. Corruption and bribery	-	-	-	-	-

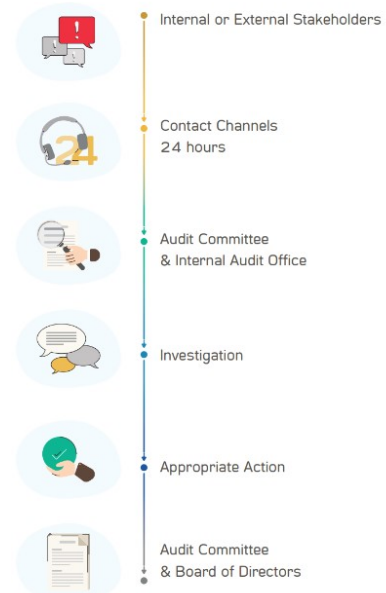
Compliance

The Company prioritizes compliance with the laws and regulations pertinent to the Company's operations to nurture the Company to sustainable growth deserving of the trust placed in it by shareholders and other stakeholder groups. The Company has thus specified policy to oversee compliance for directors, executives and employee at every level of the Company. The Corporate Compliance Office is a centralised office for coordination between different business units. In



The Whistleblowing Process

Whistleblowing Procedure



2022, the Compliance & Risk Champions from each of the main businesses were appointed as intermediaries on compliance about regulations and risk management. This is to coordinate and support oversight to be more efficient. In the process of oversight, the Corporate Compliance Office monitors newly announced criteria or changes with an impact on the business. Executives from each core business are informed through the Management Committee with processes to monitor compliance with self-assessment. There are management processes in the case of discovering non-compliance, to reduce the impact and prevent repeat occurrences, including regular reports on compliance for the Audit Committee and/or the relevant executives.

8.2 Audit Committee Activities during 2022

Significant activities carried out by the Audit Committee during 2022 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's 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 the Thai financial reporting standards and those of the Securities and Exchange Commission. The Audit Committee participated in meetings with the external auditor and the executives being responsible for finance and accounting 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 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 behaviors and significant flaws in the internal control system or violation of the laws related to duties of directors and executives according to the Securities and Exchange Act, B.E. 2559 (A.D. 2016). In 2022, there was no significant comment given by the auditor and no suspected behaviors being reported.

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 ensuring the compliance with the regulations and guidelines set out by the Company, including information technology controls. Moreover, the Audit Committee had also monitored to reaffirm 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 behavior or corruption, as well as managing 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 and the annual audit plan. Furthermore, the Audit Committee had acknowledged the internal audit reports of the Company and its subsidiaries. It also inquired, rendered advice, and followed 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.

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 who are responsible for the Company's risk management to acknowledge both external and internal risk factors, risk assessment results, and

guidelines for limiting risks to Company's risk appetite, including providing suggestions for improvements. The Audit Committee had also placed emphasis on emerging risks due to rapid changes .

5. **Compliance Review:** the Audit Committee had reviewed the results of law and regulation compliance 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 considering, selecting, and nominating the auditor as well as the audit fee on an annual basis in order to propose 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 meetings with the executives and the team members of the Company and its subsidiaries to acknowledge guidelines for business management and operations, i.e., compliance with regulations promulgated by the Office of Trade Competition Commission and the performance report of Bellisio Foods, Inc.

8.3 Activities of Other Subcommittees

Corporate Governance and Sustainable Development Committee

Significant activities carried out by the Corporate Governance and Sustainable Development Committee during 2022 under the roles and responsibilities assigned by the Board of Director can be summarized as follows:

1. Acknowledging various matters concerning corporate governance and sustainable development as follows:
 - 1.1 SEC Guidelines for fostering governance and sustainable development.
 - 1.2 The results of governance and sustainable development assessments from external agencies.
 - 1.3 Criteria for surveying oversight of Thai listed companies, by the Thai Institute of Directors, improved edition.
2. Considered the results of assessments of compliance with governance and sustainable development policies in 2022.
3. Considered the results of assessments of compliance of the Governance and Sustainable Development Committee in 2021.
4. Considered the appointment of the Lead Independent Director
5. Approved the amendment of regulations on trading securities and futures contracts
6. Approved the amendment of reporting criteria and methods of directors' and executives' declared interests (form 89/14)

7. Acknowledged the results of compliance with 2022 plans and approved targets and activities for corporate governance and sustainable development in 2023.

Remuneration and Nominating Committee

Significant activities carried out by the Remuneration and Nominating Committee during 2022 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 2022, 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 2022 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, 2021 - December 31, 2021. 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 2022 in order to propose to the Board of Directors and to the 2022 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 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.
4. Reviewed the performance appraisal form of the Company's directors, both the individual director and the Board, and of the subcommittees, to better reflect and enhance the performance of the directors and use for further director development planning.

9. Internal Control System and Related Party Transactions

9.1 Internal Control

Amidst the constantly changing environment such as the epidemic situation of the novel coronavirus disease 2019 (COVID-19), changes of work style, etc., which is currently a major challenge, the Company realizes the importance of good corporate governance, risk management, legal and regulation compliance monitoring, efficient and effective internal control, including information technology systems, which are key to achieving its operational targets. The internal control framework according to the international standard COSO (The Committee of Sponsoring Organization of Tread Way Commission) has been adopted as the Company's guideline. Moreover, there is the Internal Audit Division responsible for evaluating the internal control system of the Company and its subsidiaries, as well as domestic and international operations.

At the Board of Directors' meeting No. 1/2022 on February 25, 2022, with 4 Audit Committee Members, who are independent directors attending, the 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 Company's activities under 5 significant elements can be summarized as follows:

1. Internal Control

The Company aims at itself and its subsidiaries having an effective internal control culture and environment by structuring the organization to be decentralized in order to create flexibility in the workplace and in line with the business models, 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 management and employees at all levels are required to conduct the business honestly with integrity and transparently by adhering to the principles of good corporate governance and business ethics while also being encouraged to comply with CPF Way, which is 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, considering the risk assessment a pivotal component of all processes in its operations, both at the organizational 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 organized activities such as training, workshop, and determined 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.

3. Control Activities

The Company has prepared the policies, rules and regulations, operational manuals, and authorization level in writing and regularly updated, as well as the information technology control, information system, system development and testing, and system maintenance. 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 applying a wide range of technologies to enhance operational efficiency and effectiveness, and reform the internal control, for instance, implementing data analytic to discover unusual transactions at the checkout process, etc.

4. Information System and Communications

The Company has developed the information system to boost efficiency and safety in accordance with the laws related to the information system. It also enhanced the operational capability and information analyses. However, the Company realizes that using technology today may cause a cyber risk despite of having a cybersecurity system in place. The Company has therefore hired external consultants to study and identify weaknesses of the information technology system and also set the management guidelines, cyber threat detection system, as well as raising employee awareness by communicating this matter through various channels within the corporate and organizing phishing campaigns regularly to ensure that its employees understand about how to use their 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 the Thai language and the languages of foreign employees, so that they can effectively and efficiently receive the information.

5. Monitoring System

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, 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, assessing efficiency, effectiveness and sufficiency of the internal control system, including enabling the operational performances to comply with the corporate policies, rules and regulations by risk-based audit approach and developing the internal audit plan to cover the organization within 3 years. 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 Transactions⁶⁰

9.2.1 Related Transactions which are ordinary course of business or supporting transaction occurred during 2022, 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 with an arm-length price and commercial terms.

Related Person	Relationship ⁶¹	Transaction	Unit : THB million	
			2022	
			Transaction Amount	Outstanding Amount
1. 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 Lease liabilities Purchase of right-of-use assets	165 - 13	1 40 -
2. 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	92 33	1 9
3. 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 Lease liabilities Purchase of right-of-use assets Advance payments for purchase of goods	3 1,563 - 11 -	- 46 18 - 1
4. Gosoft (Thailand) Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL Plc. ("CPALL") 	Other expenses	64	70
5. 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	314	4
6. 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	2 420	- 25
7. 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 (resigned from CPF directorship effective from August 30, 2021) 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	8 12,143 120 4,903	3 314 2 246
8. Counter Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Bill payment services and cash in remittance process Accounts payable	- -	151 5
9. 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 Lease liabilities Purchase of right-of-use assets Advance payments for purchase of goods	5 680 - 3 -	4 1 2 - 183
10. Charoen Pokphand Seeds 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 	Purchase of goods Other income	905 4	68 1
11. 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	122	3
12. 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	2 162	- 2

⁶⁰ Investors may explore related party transactions occurred during 2020-2021 in Registration Statement for the year 2020-2021 on SEC website or CPF website at <https://www.cpfworldwide.com/en/investors/report-56-1>

⁶¹ "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 ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
13. Chia Tai Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Purchase of goods and other expenses	22	3
14. Chef Cares Project Co., Ltd.	<ul style="list-style-type: none"> Spouse of Mr. Soopakij Chearavanont (director of CPF) is shareholder and director 	Sale of goods and other income Trademark license fees	134 1	28 -
15. 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	293 121	24 10
16. C.P. Trading Group 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 	Sales of goods	93	9
17. C.P. Food Store Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income Purchase of goods and other expenses	7 209	1 21
18. C.P. Poly-Industry 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	630	61
19. C.P. Intertrade Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is a major shareholder Mr. Chingchai Lohawatanakul (resigned from CPF directorship effective from August 30, 2021) and Mr. Phongthep Chiaravanont are the common directors 	Sale of goods and other income Purchase of goods and other expenses	2 540	- 35
20. C.P. Interfood (Thailand) Co., Ltd.	<ul style="list-style-type: none"> CPG is the major shareholders 	Purchase of goods and other expenses	362	15
21. C.P. Packaging Industry 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	172 10	16 -
22. C.P. Retailink Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Accounts receivable Purchase of goods and other expenses Purchase of equipment	- 46 2	1 5 -
23. CP ALL Plc. ("CPALL")	<ul style="list-style-type: none"> Associate of CPF Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, Pol.Gen. Phatcharavat Wongsuwan and Professor Dr. Kittipong Kittayarak are the common directors 	Sale of goods and other income Other expenses	12,675 5	2,596 4
24. CP-Meiji Co., Ltd.	<ul style="list-style-type: none"> 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	539 1,105	28 136
25. CP Match 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	144	7
26. CPRAM Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Sale of goods and other income Purchase of goods and other expenses	2,521 138	320 13
27. Natchayakorn Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	27
28. Dynamic Transport 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 Other income	946 2	101 1
29. Dynamic Intertransport Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	39	6
30. Sapsamutr Co., Ltd.	<ul style="list-style-type: none"> 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 39 - 77	- 1 53 -
31. Triple P Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 62	56 -
32. True Corporation Plc.	<ul style="list-style-type: none"> CPG is the major shareholder Mr. Suphachai Chearavanont and Professor Dr. Kittipong Kittayarak are the common director 	Other expenses Dividend income	2 52	- -



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
33. True Digital and Media Platform Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE 	Other expenses	43	12
34. True Move H Universal Communication Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE Mr. Suphachai Chearavanont is the common director 	Other expenses Sale of goods and other income	59 7	6 3
35. True Leasing Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Lease liabilities Purchase of right-of-use assets	82 - 470	55 1,064 -
36. True Internet Corporation Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE 	Other expenses	42	5
37. True Internet Data Center Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Other income	168 -	16 -
38. Taksawan Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses Lease liabilities	89 -	5 3
39. T.K.P. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	143
40. Ayutthaya Port & ICD Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	74	4
41. Thanakorn Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	32
42. Patcharapak Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	40
43. Patcharapoom Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors 	Lease liabilities	-	97
44. Leadership Development Charoen Pokphand Group 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 Training and seminar fees Purchase of right-of-use assets	16 267 1	6 3 -
45. POC 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	35	4
46. P.N.S. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	272
47. Perfect Companion Group Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	2,019 89	43 21
48. Tak Charoen Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors 	Lease liabilities	-	49
49. Ross Breeders Siam Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr. Adirek Sripratak and Mr. Suphachai Chearavanont are the common directors 	Sale of goods and other income	186	13
50. Watcharapatr Co., Ltd.	<ul style="list-style-type: none"> Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors 	Lease liabilities	-	51
51. Watcharapatr (Kabin) Co., Ltd.	<ul style="list-style-type: none"> Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors 	Purchase of right-of-use assets Lease liabilities	46 -	- 46
52. VLS Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	52
53. Siam Food Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of MAKRO 	Sale of goods Purchase of goods	25 69	14 9
54. Siam Makro Plc. ("MAKRO")	<ul style="list-style-type: none"> 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	18,319 535	2,750 51
55. Sinpranee Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	21
56. Sinsanti Co., Ltd.	<ul style="list-style-type: none"> 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	35	2



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
57. Sirilux Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	25
58. ALL NOW Logistics Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Suphachai Chearavanont is the common director 	Other expenses Other income	1,981 11	453 1
59. Arbor Acres Thailand Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr. Adirek Sripratak, Mr. Suphachai Chearavanont and Mr. Paisan Chirakitchareern are the common directors 	Sale of goods and other income Purchase of goods	149 24	13 -
60. ES Harvest Co., Ltd.	<ul style="list-style-type: none"> Child of Dr. Sujint Thammasart D.V.M. (director of CPF) are shareholders and directors 	Sale of goods Purchase of goods	10 23	1 -
61. Ek-Chai Distribution System Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of MAKRO 	Sale of goods and other income Other expenses Purchase of right-of-use assets Lease liabilities	12,664 132 16 -	2,126 6 - 15
62. A.P.S. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	269
63. SLS Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	143
64. A.S. Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Other expenses	27	3
65. Advance Pharma Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	242 191	26 2
66. Ascend Commerce 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	21	-
67. Iconsiam Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Purchase of right-of-use assets Lease liabilities	25 21 -	- - 19
68. A.P.P. Enterprise Inc.	<ul style="list-style-type: none"> Associate of CPF 	Lease liabilities Other expenses	- 1	521 1
69. Andhra Pradesh Broodstock Multiplicationcentre Private Ltd.	<ul style="list-style-type: none"> Associate of CPF 	Advance payments for purchase of goods Sale of goods Purchase of goods	- 1 21	52 - -
70. Anhui C.P. Livestock Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Sale of goods	22	17
71. ARO Commercial Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of MAKRO 	Sale of goods	20	18
72. Beijing Chia Tai Breeding Science & Technology Development Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods Advance payments for purchase of goods	281 2,316 -	11 1,901 521
73. Beijing Chia Tai Feedmill Co., Ltd.	<ul style="list-style-type: none"> Associate of CTI 	Sale of goods Borrowings and interest expense	1 38	- 1,104
74. Beijing Chia Tai Livestock Co., Ltd.	<ul style="list-style-type: none"> Associate of CTI 	Borrowings and interest expense	2	55
75. Beijing Poultry Breeding Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Advance payments for purchase of goods	188 -	104 5
76. BHJ Kalino Food AB	<ul style="list-style-type: none"> Associate of CPF 	Sale of goods Accounts payable	937 -	158 3
77. C.P. Egg Industry (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods	1 101	1 37



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
78. C.P.Food (Xuzhou) Co., Ltd.	• Subsidiary of CTI	Purchase of goods Advance payments for purchase of goods	21 -	1 1
79. CP Group (Inner Mongolia) Nutritiontechnology flocsand	• Subsidiary of CTI	Sale of goods Purchase of goods	34 1	19 1
80. C.P. Packaging (Vietnam) Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	230	20
81. C.P. Premix (Tianjin) Co., Ltd.	• Subsidiary of CTI	Sale of goods	68	-
82. C.P. Premix (Shenyang) Co., Ltd.	• Subsidiary of CTI	Sale of goods	35	-
83. C.P. Seed (Vietnam) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods Sale of goods and other income	628 2	4 -
84. C.P. Trading Co., Ltd.	• Chearavanont family is a major shareholder	Other income Purchase of goods Advance payments for purchase of goods	6 26,727 -	- 251 1,415
85. Chia Tai Food Suining Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	60 35	20 27
86. Chai Tai Swine Business Minquan Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Accounts receivable Purchase of goods	- -	1 25
87. Changsha Chulian Supermarket Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	26	16
88. 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 Accounts payable	2,234 -	1,348 13
89. Charoen Pokphand Intertrade South Africa (PTY) Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Other expenses	23 1	7 -
90. Charoen Pokphand Trading (Hong Kong) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	32	-
91. Charoen Pokphand Trading India Private Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expense	33	-
92. Chengdu Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	62	3
93. 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	83	17
94. Chia Tai Agricultural Science & Technology (Zhejiang) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	78	-
95. 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	Other income Purchase of goods Trademark license fees Borrowings and interest payment	21 5,122 182 35	7 5,239 - 716
96. Chia Tai Animal Husbandry Technology (Kaifeng) 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	2 261 -	2 75 35
97. Chia Tai Animal Husbandry Technology (Yushu) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Accounts payable	1 -	3 46
98. Chia Tai Aquaculture (HuZhou) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Borrowings and interest payment	2	59
99. Chia Tai Aquaculture (Xiamen) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expense Borrowings	31 1 -	22 1 3



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
100. Chia Tai Conti (Shekou) Ltd.	● Associate of CPP	Sale of goods	25	-
101. Chia Tai C.P. Food (Guangdong) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Other expenses	2,953 8	265 1
102. Chia Tai C.P. (Henan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	153 7	77 3
103. Chia Tai C.P. (Hunan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	116	49
104. Chia Tai C.P.Trading Development (Shanghai) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	46 1	14 -
105. 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 Purchase of goods and other expenses	1,452 2	374 2
106. Chia Tai Feedmill Pte .Ltd.	● CPG is a major shareholder	Purchase of goods and other expenses Sale of goods	147 1	12 -
107. Chia Tai Feed (Hengshui) Co., Ltd.	● Subsidiary of CTI	Purchase of goods Sale of goods	800 -	1,314 20
108. Chia Tai Feed (Suqian) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	2,042	1,359
109. Chia Tai Feed (Yushu) Co., Ltd.	● Subsidiary of CTI	Accounts payable Accounts receivable	- -	1,862 10
110. Chia Tai Feed (Zhanjiang) Co., Ltd.	● Subsidiary of CTI	Purchase of goods Sale of goods	1,900 11	1,137 3
111. Chia Tai Food Enterprise (Luoyang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	41 1	1 -
112. 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 Interest income and accrued interest	2,574 66 75	1,520 164 98
113. Chia Tai (Hainan) International Trading Co., Ltd.	● Subsidiary of CTI	Purchase of goods	61	33
114. Chia Tai Investment Co., Ltd. ("CTI")	● Associate of CPP with the company having Chearavanont family as an ultimate shareholder is the major shareholder ● Mr. Soopakij Chearavanont is the common director	Purchase of goods and other expenses Sale of goods and other income	2 29	82 -
115. Chia Tai Pufeng Trading Development (Suzhou) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	438 256 7	233 62 8
116. Chia Tai Trade (Xia Men) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses	686 31	65 5
117. Chia Tai Trading (Beijing) Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	61	45
118. Chia Tai Yisheng Technology Development (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	35 1	11 -
119. Chia Tai (Zhanjian) Poultry Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	25	-
120. Chongqing Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	127	13
121. 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 Borrowings	1 1 -	- - 25



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
122. CP Food (Hubei) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	265 1	31 -
123. CP Food Research & Development Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	41	-
124. CP Fresh Mart (Beijing) Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	- 2	35 3
125. CPPC Outdoor Wear (Vietnam) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	66	8
126. Guangdong Zhanjiang Chia Tai Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Accounts payable	55 -	20 1
127. 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	13 347 -	15 719 183
128. Guangzhou Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	8	36
129. GuiZhou CP Pokphand Trade Chain Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	23	10
130. Hefei Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	639 1	84 1
131. Heilongjiang Chia Tai Enterprise Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods Sale of goods	103 286	164 180
132. Huai Lai Chia Tai Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods Interest income and accrued interest	171 87 3	97 61 2
133. 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 and other expenses Advance payments for purchase of goods	15 182 -	19 - 146
134. Hunan CP Retail Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	27	8
135. Indoguna (Cambodia) Co., Ltd.	● Subsidiary of MAKRO	Sale of goods	70	17
136. Inner Mongolia Chia Tai Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	20	1
137. Inner Mongolia Chia Tai Agriculture Co., Ltd.	● Subsidiary of CTI	Purchase of goods	45	23
138. Jiangsu Huai Yin Chia Tai Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	2 531	1 104
139. Jilin Chia Tai Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	71 679	73 -
140. Jilin Deda Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of Goods and other expenses Interest expense Interest income and accrued interest	249 200 1 1	65 101 - 1
141. Kaifeng Chia Tai Co., Ltd	● Subsidiary of CTI	Purchase of goods Sale of goods	845 4	621 -
142. KP Greenery Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Accounts receivable Purchase of Goods and other expenses Purchase of right-of-use assets Lease liabilities	- 3 117 -	1 1 - 115



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
143. KSP Vietnam Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Trademark license fees	822 3	66 -
144. Kunming Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	72	14
145. Kunming Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	127	35
146. Lanzhou Chia Tai C.P.Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	91	6
147. Lianyungang Chia Tai Agro-Industry Development Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	1 534	1 120
148. Luoyang C.P. Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	22	5
149. Luoyang C.P. Lotus Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	58 1	3 1
150. Myanmar 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	45 711	5 181
151. Nantong Chia Tai Co., Ltd.	● Subsidiary of CTI	Purchase of goods Sale of goods	537 3	984 2
152. 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	51 37 -	12 128 209
153. Nanyang Chia Tai Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	3 19	1 26
154. Pizhou Chia Tai Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	21	19
155. Qingdao Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses Interest income and accrued interest Borrowings and interest payment	508 424 11 10	77 81 12 12
156. Qingdao C.P. Swine Business Co., Ltd.	● Subsidiary of CTI	Sale of goods	16	25
157. 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	Accounts Receivable Purchase of goods Advance payments for purchase of goods	- 3 -	20 16 2
158. Qingdao Yi Bang Bio-Engineering Co., Ltd.	● Associate of CTI	Purchase of goods	70	83
159. 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	322 417	112 183
160. Sao Ta Foods Joint Stock Company	● Associate of CPF	Sale of goods	471	-
161. Shandong Bu Bee Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	25 24	12 5
162. Shandong C.P. Livestock Co., Ltd.	● Subsidiary of CTI	Sale of goods	16	21
163. Shanghai Zheng Yuan Computer Technology Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	55	-
164. Shanghai Zhengfu Food Processing Machinery and Engineering Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	44	2
165. 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 Advance payments for purchase of goods	145 27 -	- - 2



Related Person	Relationship ⁶¹	Transaction	2022	
			Transaction Amount	Outstanding Amount
166. SuperDrob S.A.	● Associate of CPF	Purchase of goods and other expenses Sale of goods and other income	4,274 104	178 -
167. Tesco Stores (Malaysia) SDN. BHD.	● Associate of Charoen Pokphand Holding Co., Ltd., which have CPG as a major shareholder, and associate of CPALL	Sale of goods	1,319	145
168. Xiamen Chia Tai Agriculture Co., Ltd.	● Subsidiary of CTI	Purchase of goods	290	110
169. Xian Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	37	3
170. Xianghe 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	23 10	7 9
171. Xiangyang Chia Tai Agro-Industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	37	10
172. Xianning Chia Tai Agro-Industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	21	5
173. Xin Bai Qin Vehicle Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	34	9
174. Zhanjiang Bufeng Lianhua Supermarket Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	282	4
175. Zhanjiang Deni Vehicle Parts Co., Ltd.	● Associate of CTEI	Accrued dividend income	-	157
176. Zhejiang C.P. Livestock & Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	44 1	25 1
177. Zheng Da Bu Feng Food (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	565 12 2	249 9 2
178. Zhengzhou CP Pokphand Trade Development Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Accounts payable Interest income and accrued interest	129 - 2	55 1 2
179. Zhengzhou Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	169 2	5 2
180. Others*		Sale of goods and other income to other 221 related companies for the year 2022; and had 159 debtors as of December 31, 2022. Purchase of goods and other expenses from other 116 for the year 2022 and had 80 creditors as of December 31, 2022.	621 343	259 193

* Related person with transaction value of not more than THB 20 million each.

9.2.2 Related transaction which are not in the ordinary course of business or supporting transactions

During 2022, details of related transaction which was 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:

The Board of Directors convened on May 12, 2022 approved a subsidiary of CPF to acquire 80.00% of Tacharm Agricultural Industry Co., Ltd., ("Tacharm") for a total consideration of THB 320 million from Charoen Pokphand Seeds Co., Ltd.. The Board of Directors (excluding director with the conflict of interest as described below) considered and viewed that this transaction is reasonable and beneficial to the Company to integrate pig breeding farm with the Company's livestock business and 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 and the Audit Committee had no different opinion from the Board of Directors.

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

Report of the Board of Directors' Responsibility on the Financial Statements
and Financial Statements



บริษัท เจริญโภคภัณฑ์อาหาร จำกัด (มหาชน)

CHAROEN POKPHAND FOOD PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107537000246

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, 2022.

Soopakij Chearavanont

(Mr. Soopakij Chearavanont)

Chairman of the Board

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2022
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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 of investments in subsidiaries and goodwill	
Refer to notes 4 (b), 4 (l), 9, and 16 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, 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.



Measurement of biological assets	
Refer to note 4 (h) and 8 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, actions taken to eliminate threats or safeguards applied.

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.

A handwritten signature in black ink, appearing to read 'Munchupa S.' with a stylized flourish at the end.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2023

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>	2022	2021	2022	2021
<i>Current assets</i>					
Cash and cash equivalents	6	32,949,705	36,686,058	1,902,112	2,678,546
Accounts receivable - trade and others	30	43,220,606	38,470,747	3,162,959	3,425,089
Short-term loans to related parties	5	-	-	8,020,339	6,876,278
Current portion of long-term loans to related parties	5	-	12,263	540,000	-
Inventories	7	83,080,346	73,431,469	2,861,340	2,784,343
Current biological assets	8	54,538,803	47,955,121	925,579	789,100
Other current financial assets	30	3,265,334	3,593,865	68,574	7
Restricted deposits at financial institutions		258,252	274,394	-	-
Advance payments for purchase of goods		5,237,348	5,662,990	-	-
Prepaid expenses		2,562,640	2,403,458	213,736	231,813
Accrued dividend income	5	156,580	171,566	-	-
Other current assets		7,918,382	7,872,561	48,512	53,206
Non-current assets classified as held for sale		31,130	15,739	-	-
Total current assets		233,219,126	216,550,231	17,743,151	16,838,382

The accompanying notes are an integral part of these financial statements.

Charoen Pokphand Foods Public Company Limited

and its Subsidiaries

Statements of financial position

(Unit: Thousand Baht)

Assets (Continued)	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2022	2021	2022	2021
Non-current assets					
Investments in equity securities	30	16,590,363	13,034,063	919,200	761,000
Investments in subsidiaries	9	-	-	241,229,221	228,979,533
Investments in associates	11	235,340,728	230,428,252	160,125	1,645,869
Investments in joint ventures	12	20,123,698	22,411,734	4,360,381	4,360,381
Long-term loans to related parties	5	-	36,788	3,218,000	570,000
Investment properties	13	7,934,300	6,409,161	2,677,130	2,068,929
Property, plant and equipment	14	276,663,734	228,852,703	20,761,904	15,787,495
Right-of-use assets	15	35,881,634	34,663,569	608,996	372,529
Goodwill	16	62,766,519	60,816,718	-	-
Other intangible assets	17	13,457,689	13,649,484	45,810	19,194
Non-current biological assets	8	12,236,149	9,958,123	-	-
Deferred tax assets	27	4,582,032	4,729,748	-	1,238,375
Other non-current financial assets	30	3,724,461	143,614	254,000	143,614
Other non-current assets		4,466,747	3,560,201	382,213	268,070
Total non-current assets		693,768,054	628,694,158	274,616,980	256,214,989
Total assets		926,987,180	845,244,389	292,360,131	273,053,371

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	2022	2021	2022	2021
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	18	94,753,369	70,991,804	-	-
Bills of exchange	18	20,686,554	17,964,321	3,544,677	8,487,944
Accounts payable - trade and others	20	50,963,728	44,371,714	1,388,629	1,147,644
Accrued expenses		13,067,579	12,234,209	155,063	161,986
Current portion of long-term borrowings	18	66,117,103	39,064,753	11,104,839	12,283,186
Current portion of lease liabilities	18	4,921,366	4,439,143	182,270	145,712
Short-term borrowing from related parties	5, 18	1,994,216	1,456,136	11,170,000	-
Income tax payable		2,310,631	1,726,944	-	-
Other current financial liabilities	30	152,392	169,135	713	63,952
Other current liabilities		12,010,726	11,509,815	1,723,384	1,669,245
Total current liabilities		266,977,664	203,927,974	29,269,575	23,959,669
Non-current liabilities					
Long-term borrowings	18	301,499,301	301,239,870	114,499,296	113,607,461
Lease liabilities	18	30,581,291	29,460,702	427,740	225,143
Deferred tax liabilities	27	16,338,373	8,902,995	388,277	-
Provision for employee benefits	21	9,149,572	9,556,316	2,561,023	2,703,958
Provisions and others		2,597,434	2,574,360	-	-
Other non-current financial liabilities	30	-	230,483	-	-
Total non-current liabilities		360,165,971	351,964,726	117,876,336	116,536,562
Total liabilities		627,143,635	555,892,700	147,145,911	140,496,231

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	2022	2021	2022	2021
(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					
Share premium on ordinary shares	22	57,298,909	57,298,909	56,408,882	56,408,882
Other premium		3,548,471	3,582,872	3,470,021	3,470,021
Surplus from change in shareholders' equity					
in subsidiaries and associates	22	4,500,040	5,458,941	-	-
Surplus (deficits) on common control transactions	22	(9,917)	(9,917)	490,423	490,423
Retained earnings					
Appropriated	22				
Legal reserve		929,166	929,166	929,166	929,166
Unappropriated		136,924,707	128,763,610	57,226,370	48,369,402
Treasury shares	19	(11,150,227)	(10,332,356)	(7,062,578)	(6,244,707)
Other components of shareholders' equity	22	40,400,254	7,999,694	10,140,694	5,522,711
Total		241,052,645	202,302,161	130,214,220	117,557,140
Subordinated perpetual debentures	23	15,000,000	15,000,000	15,000,000	15,000,000
Total shareholders' equity attributable to equity holders of the Company					
		256,052,645	217,302,161	145,214,220	132,557,140
Non-controlling interests	10	43,790,900	72,049,528	-	-
Total shareholders' equity		299,843,545	289,351,689	145,214,220	132,557,140
Total liabilities and shareholders' equity					
		926,987,180	845,244,389	292,360,131	273,053,371

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	
		2022	2021	2022	2021
<i>Income</i>					
Revenue from sale of goods	24	614,196,968	512,704,447	27,888,203	27,053,990
Gains on sale of investments	9, 11	2,553,196	2,387,910	8,609,069	431,974
Interest income		842,826	743,036	708,182	875,103
Dividend income		60,125	64,008	19,605,115	5,673,362
Net foreign exchange gains		92,579	651,140	-	81,143
Gains on changes in fair value					
of investment properties	13	1,765,975	-	608,201	-
Gains on changes in fair value					
of investment in associate		-	486,831	-	-
Gain from swap investment with shares		-	7,849,399	-	-
Other income		3,917,650	4,072,906	314,683	188,072
Total income		623,429,319	528,959,677	57,733,453	34,303,644
<i>Expenses</i>					
Cost of sale of goods	7, 26	532,324,028	446,814,837	26,354,825	25,137,265
Distribution costs	26	22,922,097	20,236,685	932,502	943,877
Administrative expenses	26	32,078,705	30,643,803	2,563,279	2,521,660
(Gains) losses on changes in fair value					
of biological assets	8	(1,410,753)	2,381,443	-	-
(Reversal of) impairment losses	9, 14, 16	475,914	(278,726)	7,174,157	-
Net foreign exchange losses		-	-	38,911	-
Finance cost on lease liabilities	15	2,909,037	2,702,927	20,677	11,241
Other finance costs		17,448,960	13,893,122	5,187,610	5,109,125
Total expenses		606,747,988	516,394,091	42,271,961	33,723,168
Share of profit of associates and joint ventures					
accounted for using equity method	11, 12	3,745,244	4,166,804	-	-
Profit before income tax expense		20,426,575	16,732,390	15,461,492	580,476
Income tax expense (income)	27	6,002,934	2,653,632	574,096	(1,485,352)
Profit for the year		14,423,641	14,078,758	14,887,396	2,065,828

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	
		2022	2021	2022	2021
Profit for the year attributable to:					
Equity holders of the Company		13,969,553	13,028,259	14,887,396	2,065,828
Non-controlling interests		454,088	1,050,499	-	-
Profit for the year		14,423,641	14,078,758	14,887,396	2,065,828
Basic earnings per share (<i>in Baht</i>)	28	1.69	1.56	1.70	0.17
Diluted earnings per share (<i>in Baht</i>)	28	1.69	1.55	1.70	0.17

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2022	2021	2022	2021
Profit for the year		14,423,641	14,078,758	14,887,396	2,065,828
Other comprehensive income					
<i>Items that will be reclassified</i>					
<i>subsequently to profit or loss</i>					
Foreign currency translation differences		(3,044,728)	15,576,686	-	-
Gains on hedges of net investments in foreign operations		99,289	-	-	-
Gains on cash flow hedges	30	3,023,554	1,308,117	73,202	47,775
Share of other comprehensive income (expense) of associates and joint ventures for using equity method	11, 12	(2,783,306)	7,062,747	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	27	158,236	(56,480)	(14,640)	(9,555)
Total items that will be reclassified					
subsequently to profit or loss		(2,546,955)	23,891,070	58,562	38,220
<i>Items that will not be reclassified</i>					
<i>subsequently to profit or loss</i>					
Gains (losses) on equity investments measured at fair value through other comprehensive income	30	2,942,933	206,426	(47,000)	98,000
Gains on remeasurements of defined benefit plans	21	476,864	1,173,680	151,636	382,584
Gains on revaluation of assets	14	40,728,153	221,515	5,746,277	-
Share of other comprehensive income of associates and joint ventures for using equity method	11, 12	143,608	131,018	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	27	(8,236,437)	(361,711)	(1,170,183)	(96,116)
Total items that will not be reclassified					
subsequently to profit or loss		36,055,121	1,370,928	4,680,730	384,468
Other comprehensive income for the year,					
net of income tax		33,508,166	25,261,998	4,739,292	422,688
Total comprehensive income for the year		47,931,807	39,340,756	19,626,688	2,488,516

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
Total comprehensive income attributable to:				
Equity holders of the Company	46,510,974	32,428,231	19,626,688	2,488,516
Non-controlling interests	1,420,833	6,912,525	-	-
Total comprehensive income for the year	47,931,807	39,340,756	19,626,688	2,488,516

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 shareholder's equity																									
				Surplus from change in shareholders' equity		Deficit on common control transactions		Unappropriated		Gains (losses) on revaluation of assets		Gains (losses) on cash flow hedges		Gains on equity investments measured at fair value through other comprehensive income		Foreign currency translation differences		Total other components of shareholders' equity		Subordinated perpetual debentures		Total shareholders' equity attributable to equity holders of the Company		Non-controlling interests		Total shareholders' equity	
Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	in subsidiaries and associates	common control transactions	Legal reserve	retained earnings	Treasury shares	of assets	on cash flow	comprehensive income	translation differences	equity	Total													
Year ended 31 December 2021																											
Balance at 31 December 2020 - as reported		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	262,178,568								
3	Impact of changes in accounting policy (net of income tax)	-	-	-	-	-	-	3,514,797	-	(1,279,626)	-	-	-	(1,279,626)	2,235,171	-	2,235,171	(20,336)	2,214,835								
Balance at 1 January 2021		8,611,242	57,298,909	3,470,021	4,809,941	(5,159)	929,166	123,407,928	(8,997,459)	23,553,754	(1,435,975)	2,449,580	(34,919,990)	(10,352,631)	179,171,958	15,000,000	194,171,958	70,221,445	264,393,403								
Transactions with owners, recorded directly in equity																											
Distributions to owners																											
Dividends paid		-	-	-	-	-	-	(7,969,385)	-	-	-	-	-	-	(7,969,385)	-	(7,969,385)	(5,868,956)	(13,838,341)								
19	Shares repurchased	-	-	-	-	-	-	-	(1,334,897)	-	-	-	-	-	(1,334,897)	-	(1,334,897)	-	(1,334,897)								
Total distributions to owners		-	-	-	-	-	-	(7,969,385)	(1,334,897)	-	-	-	-	-	(9,304,282)	-	(9,304,282)	(5,868,956)	(15,173,238)								
Changes in ownership interests in subsidiaries and associates																											
Changes in interests in subsidiaries without a change in control		-	-	-	43,668	-	-	-	-	-	-	-	-	-	43,668	-	43,668	(47,549)	(3,881)								
Changes in interests in associates		-	-	112,851	605,332	(4,758)	-	-	-	-	-	-	-	-	713,425	-	713,425	-	713,425								
New shares issued by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,776	229,776								
Liquidation of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)								
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	602,296	602,296								
Total changes in ownership interests in subsidiaries and associates		-	-	112,851	649,000	(4,758)	-	-	-	-	-	-	-	-	757,093	-	757,093	784,514	1,541,607								
Total transactions with owners, recorded directly in equity		-	-	112,851	649,000	(4,758)	-	(7,969,385)	(1,334,897)	-	-	-	-	-	(8,547,189)	-	(8,547,189)	(5,084,442)	(13,631,631)								
Comprehensive income for the year																											
Profit		-	-	-	-	-	-	13,028,259	-	-	-	-	-	-	13,028,259	-	13,028,259	1,050,499	14,078,758								
Other comprehensive income																											
- Gains on remeasurement of defined benefit plans		21	-	-	-	-	-	997,489	-	-	-	-	-	-	997,489	-	997,489	10,578	1,008,067								
- Others		-	-	-	-	-	-	-	-	35,005	1,208,530	297,084	16,861,864	18,402,483	18,402,483	-	18,402,483	5,851,448	24,253,931								
Total comprehensive income for the year		-	-	-	-	-	-	14,025,748	-	35,005	1,208,530	297,084	16,861,864	18,402,483	32,428,231	-	32,428,231	6,912,525	39,340,756								
Interest and other expenses paid on subordinated perpetual debentures - net of income tax		23	-	-	-	-	-	(750,839)	-	-	-	-	-	-	(750,839)	-	(750,839)	-	(750,839)								
Transfer to retained earnings		-	-	-	-	-	-	50,158	-	(50,158)	-	-	-	-	-	-	-	-	-								
Balance at 31 December 2021		8,611,242	57,298,909	3,582,872	5,458,941	(9,917)	929,166	128,763,610	(10,332,356)	23,538,601	(227,445)	2,746,664	(18,058,126)	7,999,694	202,302,161	15,000,000	217,302,161	72,049,528	289,351,689								

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	Deficit on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Other components of shareholder's equity										
									Gains (losses) on revaluation of assets	Gains (losses) on cash flow hedges	Gains on hedges of net investments in foreign operations	equity investments measured at fair value through other comprehensive income	Foreign currency translation differences	Total other components of shareholders' equity	Total	Subordinated perpetual debentures	Total shareholders' equity attributable to equity holders of the Company	Non-controlling interests	Total shareholders' equity
Year ended 31 December 2022																			
Balance at 1 January 2022	8,611,242	57,298,909	3,582,872	5,458,941	(9,917)	929,166	128,763,610	(10,332,356)	23,538,601	(227,445)	-	2,746,664	(18,058,126)	7,999,694	202,302,161	15,000,000	217,302,161	72,049,528	289,351,689
Transactions with owners, recorded directly in equity																			
<i>Distributions to owners</i>																			
Dividends paid	-	-	-	-	-	-	(5,158,931)	-	-	-	-	-	-	-	(5,158,931)	-	(5,158,931)	(825,191)	(5,984,122)
Shares repurchased	19	-	-	-	-	-	-	(817,871)	-	-	-	-	-	-	(817,871)	-	(817,871)	-	(817,871)
Total distributions to owners		-	-	-	-	-	(5,158,931)	(817,871)	-	-	-	-	-	-	(5,976,802)	-	(5,976,802)	(825,191)	(6,801,993)
<i>Changes in ownership interests in subsidiaries and associates</i>																			
Changes in interests in subsidiaries																			
without a change in control	-	-	-	(981,316)	-	-	-	-	(79,457)	(3,100)	-	-	397,962	315,405	(665,911)	-	(665,911)	(29,104,960)	(29,770,871)
Changes in interests in associates	-	-	(34,401)	5,907	-	-	(405,247)	-	-	-	-	-	-	-	(433,741)	-	(433,741)	-	(433,741)
New shares issued by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,912	75,912
Liquidation of subsidiary	-	-	-	16,508	-	-	(16,508)	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174,778	174,778
Total changes in ownership interests in subsidiaries and associates		-	(34,401)	(958,901)	-	-	(421,755)	-	(79,457)	(3,100)	-	-	397,962	315,405	(1,099,652)	-	(1,099,652)	(28,854,270)	(29,953,922)
Total transactions with owners, recorded directly in equity		-	(34,401)	(958,901)	-	-	(5,580,686)	(817,871)	(79,457)	(3,100)	-	-	397,962	315,405	(7,076,454)	-	(7,076,454)	(29,679,461)	(36,755,915)
Comprehensive income for the year																			
Profit	-	-	-	-	-	-	13,969,553	-	-	-	-	-	-	-	13,969,553	-	13,969,553	454,088	14,423,641
Other comprehensive income																			
- Gains on remeasurement of defined benefit plans	21	-	-	-	-	-	431,141	-	-	-	-	-	-	-	431,141	-	431,141	26,162	457,303
- Others	-	-	-	-	-	-	-	-	30,951,099	3,095,929	99,289	3,009,183	(5,045,220)	32,110,280	32,110,280	-	32,110,280	940,583	33,050,863
Total comprehensive income for the year		-	-	-	-	-	14,400,694	-	30,951,099	3,095,929	99,289	3,009,183	(5,045,220)	32,110,280	46,510,974	-	46,510,974	1,420,833	47,931,807
Interest and other expenses paid on subordinated perpetual debentures - net of income tax	23	-	-	-	-	-	(687,211)	-	-	-	-	-	-	-	(687,211)	-	(687,211)	-	(687,211)
Transfer to retained earnings	-	-	-	-	-	-	28,300	-	(25,125)	-	-	-	-	-	(25,125)	-	3,175	-	3,175
Balance at 31 December 2022	8,611,242	57,298,909	3,548,471	4,500,040	(9,917)	929,166	136,924,707	(11,150,227)	54,385,118	2,865,384	99,289	5,755,847	(22,705,384)	40,400,254	241,052,645	15,000,000	256,052,645	43,790,900	299,843,545

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Statements of changes in equity

(Unit: Thousand Baht)

		Separate financial statements											
		Other components of shareholder's equity											
		Gains on equity investments											
		measured at fair value											
		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 (losses) on revaluation of assets	Gains (losses) on cash flow hedges	measured at fair value through other comprehensive income	Total other components of shareholders' equity	Subordinated perpetual debentures	Total shareholders' equity
Year ended 31 December 2021													
	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	15,000,000	138,456,192
Impact of changes in accounting policy (net of income tax)	3	-	-	-	-	933,337	-	-	-	-	-	-	933,337
	8,611,242	56,408,882	3,470,021	490,423	929,166	55,158,323	(6,088,210)	5,091,507	(91,992)	410,167	5,409,682	15,000,000	139,389,529
Transactions with owners, recorded directly in equity													
Distributions to owners													
Dividends paid	29	-	-	-	-	(8,413,569)	-	-	-	-	-	-	(8,413,569)
Shares repurchased	19	-	-	-	-	-	(156,497)	-	-	-	-	-	(156,497)
	-	-	-	-	-	(8,413,569)	(156,497)	-	-	-	-	-	(8,570,066)
Total transactions with owners, recorded directly in equity													
	-	-	-	-	-	(8,413,569)	(156,497)	-	-	-	-	-	(8,570,066)
Comprehensive income for the year													
Profit	-	-	-	-	-	2,065,828	-	-	-	-	-	-	2,065,828
Other comprehensive income													
- Gains on remeasurement of defined benefit plans	21	-	-	-	-	306,068	-	-	-	-	-	-	306,068
- Others	-	-	-	-	-	-	-	-	38,220	78,400	116,620	-	116,620
	-	-	-	-	-	2,371,896	-	-	38,220	78,400	116,620	-	2,488,516
Total comprehensive income for the year													
Interest and other expenses paid on subordinated perpetual debentures	23	-	-	-	-	(750,839)	-	-	-	-	-	-	(750,839)
Transfer to retained earnings	-	-	-	-	-	3,591	-	(3,591)	-	-	(3,591)	-	-
	8,611,242	56,408,882	3,470,021	490,423	929,166	48,369,402	(6,244,707)	5,087,916	(53,772)	488,567	5,522,711	15,000,000	132,557,140

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 shareholder's equity											
		Gains (losses) on equity investments											
		measured at fair value											
		through other components of shareholders' equity											
		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	Gains (losses) on cash flow hedges	Gains (losses) on equity investments through other comprehensive income	Total other components of shareholders' equity	Subordinated perpetual debentures	Total shareholders' equity
Year ended 31 December 2022													
	8,611,242	56,408,882	3,470,021	490,423	929,166	48,369,402	(6,244,707)	5,087,916	(53,772)	488,567	5,522,711	15,000,000	132,557,140
Transactions with owners, recorded directly in equity													
Distributions to owners													
29	-	-	-	-	-	(5,464,526)	-	-	-	-	-	-	(5,464,526)
19	-	-	-	-	-	-	(817,871)	-	-	-	-	-	(817,871)
	-	-	-	-	-	(5,464,526)	(817,871)	-	-	-	-	-	(6,282,397)
Total transactions with owners, recorded directly in equity													
	-	-	-	-	-	(5,464,526)	(817,871)	-	-	-	-	-	(6,282,397)
Comprehensive income for the year													
	-	-	-	-	-	14,887,396	-	-	-	-	-	-	14,887,396
Other comprehensive income													
- Gains on remeasurement of defined benefit plans													
21	-	-	-	-	-	121,309	-	-	-	-	-	-	121,309
	-	-	-	-	-	-	-	4,597,021	58,562	(37,600)	4,617,983	-	4,617,983
	-	-	-	-	-	15,008,705	-	4,597,021	58,562	(37,600)	4,617,983	-	19,626,688
Total comprehensive income for the year													
Interest and other expenses paid on subordinated perpetual debentures - net of income tax													
23	-	-	-	-	-	(687,211)	-	-	-	-	-	-	(687,211)
	8,611,242	56,408,882	3,470,021	490,423	929,166	57,226,370	(7,062,578)	9,684,937	4,790	450,967	10,140,694	15,000,000	145,214,220

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>Cash flows from operating activities</i>					
Profit for the year		14,423,641	14,078,758	14,887,396	2,065,828
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation		23,483,029	21,243,839	1,316,244	1,566,329
Amortisation		1,335,616	1,194,749	6,588	6,074
Depreciation of biological assets	8	7,388,515	6,492,298	104,124	105,962
(Reversal of) expected credit losses and bad debt for accounts receivable - trade and others		179,153	116,683	(11,991)	(19,277)
(Reversal of) losses on inventory devaluation	7	(34,966)	382,029	(3,845)	(27,544)
Interest income		(842,826)	(743,036)	(708,182)	(875,103)
Dividend income		(60,125)	(64,008)	(19,605,115)	(5,673,362)
Finance costs		20,357,997	16,596,049	5,208,287	5,120,366
Gains on sale of investments	5, 9, 11	(2,553,196)	(2,387,910)	(8,609,069)	(431,974)
Provisions for employee benefits	21	786,488	903,298	191,819	233,399
Losses on sale and write-off of property, plant and equipment, right-of-use assets					
other intangible assets and investment properties		166,493	392,686	106,977	21,587
(Reversal of) impairment losses		475,914	(278,726)	7,174,157	-
Unrealised (gains) losses on exchange rates		(222,495)	(20,881)	46,219	(17,322)
(Gains) losses on changes in fair value of biological assets	8	(1,410,753)	2,381,443	-	-
(Gains) on changes in fair value of investment in associate		-	(486,831)	-	-
Gains on changes in fair value of investment properties	13	(1,765,975)		(608,201)	-
Gain from swap investment with shares		-	(7,849,399)	-	-
Unrealised (gains) losses on changes in fair value of derivatives		(258)	30	-	-
Share of profit of associates and joint ventures accounted for using equity method	11, 12	(3,745,244)	(4,166,804)	-	-
Income tax expense (income)	27	6,002,934	2,653,632	574,096	(1,485,352)
		63,963,942	50,437,899	69,504	589,611

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>Cash flows from operating activities (Continued)</i>					
<i>Changes in operating assets and liabilities</i>					
Accounts receivable - trade and others		(5,743,800)	(7,126,170)	176,935	(1,259,064)
Inventories		(11,103,377)	(16,296,090)	(73,152)	19,338
Biological assets		(14,650,517)	(14,147,374)	(240,603)	89,547
Other current assets		(168,360)	(2,445,174)	22,549	(121,571)
Other financial assets		74,136	2,972	-	-
Other non-current assets		(832,467)	430,941	(76,282)	27,954
Accounts payable - trade and others		8,160,688	8,119,553	240,799	14,548
Other current liabilities		683,245	(3,214,851)	(1,824)	(18,913)
Other financial liabilities		(68,496)	(272,941)	-	-
Employee benefits paid	21	(651,951)	(786,824)	(183,118)	(124,083)
Income tax paid		(6,119,541)	(8,281,721)	(34,388)	(11,443)
Net cash provided by (used in) operating activities		33,543,502	6,420,220	(99,580)	(794,076)
<i>Cash flows from investing activities</i>					
Interest received		734,629	706,219	708,403	881,635
Dividends received		3,144,799	11,567,888	5,010,737	5,750,512
Proceeds from (payment for) short-term loans to related parties	5	-	-	(1,277,569)	13,147,747
Proceeds from (payment for) other financial assets		509,921	(1,922,422)	-	-
Payment for acquisition of investments		(7,908,733)	(7,742,266)	(8,422,643)	(1,470,973)
Proceeds from sale of investments		5,404,813	8,692,786	1,617,126	4,178,980
Net consideration paid from acquisition of subsidiaries		(296,210)	(10,703,892)	-	-
Prepayment for acquisition of investment	9	-	-	(160,547)	(122,688)
Proceeds from long-term loan to related parties	5	49,050	-	20,490,000	-
Payment for long-term loan to related parties	5	-	-	(11,600,000)	-
Payment for acquisition of property, plant and equipment and investment properties		(27,255,927)	(24,162,938)	(450,567)	(415,977)
Proceeds from sale of property, plant and equipment and investment properties		282,865	1,115,628	34,225	23,604
Payment for acquisition of other intangible assets		(388,517)	(292,254)	(23,466)	(1,152)
Proceeds from sale of other intangible assets		33	36,406	-	12
Payment for acquisition of right-of-use assets		-	(207)	-	-
Payment for liquidation of subsidiary		-	(192)	-	-
Net cash provided by (used in) investing activities		(25,723,277)	(22,705,244)	5,925,699	21,971,700

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>Cash flows from financing activities</i>					
Proceeds from (repayment of) short-term borrowings from financial institutions		23,163,981	5,503,192	-	(5,400,000)
Proceeds from (repayment of) bills of exchange		2,555,254	(21,066,879)	(4,994,861)	(9,788,114)
Proceeds from (repayment of) short-term borrowings from related parties	5	605,963	909,586	11,170,000	(13,250,742)
Payment of lease liabilities		(5,562,809)	(5,045,819)	(285,064)	(259,542)
Payment to acquire treasury shares	19	(817,871)	(1,334,897)	(817,871)	(156,497)
Proceeds from long-term borrowings from financial institutions		62,584,467	43,889,396	-	-
Repayment of long-term borrowings from financial institutions		(39,981,713)	(20,137,929)	(641,150)	-
Proceeds from issue of debentures	18	22,024,800	45,000,000	11,874,800	30,000,000
Repayment of debentures		(21,435,204)	(23,658,550)	(11,600,000)	(8,500,000)
Proceeds from issue of subordinated perpetual debentures	23	15,000,000	-	15,000,000	-
Repayment of subordinated perpetual debentures	23	(15,000,000)	-	(15,000,000)	-
Proceeds from (payment of) financial transaction costs		388,066	(46,507)	(96,058)	(18,365)
Interest paid		(20,692,401)	(15,792,104)	(5,747,946)	(5,525,256)
Dividends paid to non-controlling interests		(837,016)	(6,220,404)	-	-
Dividend paid of the Company - net of dividends for shares held in treasury		(5,158,808)	(7,968,640)	(5,464,403)	(8,412,824)
Proceeds from issue of new ordinary shares		75,912	229,776	-	-
Payment for acquisition of non-controlling interests	5	(29,770,872)	(3,729)	-	-
Net cash used in financing activities		(12,858,251)	(5,743,508)	(6,602,553)	(21,311,340)

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>	2022	2021	2022	2021
Net decrease in cash and cash equivalents,				
before effect of exchange rates	(5,038,026)	(22,028,532)	(776,434)	(133,716)
Effect of exchange rate changes on				
cash and cash equivalents	(721,188)	2,907,900	-	168
Net decrease in cash and cash equivalents	(5,759,214)	(19,120,632)	(776,434)	(133,548)
Cash and cash equivalents at 1 January	35,285,883	54,406,515	2,678,546	2,812,094
Cash and cash equivalents at 31 December	29,526,669	35,285,883	1,902,112	2,678,546

Supplemental disclosures of cash flows

information:

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	6	32,949,705	36,686,058	1,902,112	2,678,546
Bank overdrafts	18	(3,423,036)	(1,400,175)	-	-
Net		29,526,669	35,285,883	1,902,112	2,678,546

2. Non-cash transactions

2.1 As at 31 December 2022, the Group had accrued dividend income amounting to Baht 157 million (2021: Baht 172 million).

2.2 During the year 2022, the Company increased share capital in a direct subsidiary amounting to Baht 7,171 million by offsetting the consideration of the shares with dividend income from a subsidiary (see details in note 9).

2.3 During the year 2022, the Company entered into an agreement to acquire ordinary shares of certain indirect subsidiaries totalling US Dollar 211 million or equivalent to Baht 7,510 million by offsetting the consideration of the shares with dividend income from a subsidiary (see details in note 9).

2.4 During the year 2022, the Company partially sold its interest in a direct subsidiary amounting to Baht 12,078 million, whereby the consideration of the shares was offsetting with the acquirer (see details in note 9).

2.5 During the year 2022, the Company increased share capital in a direct subsidiary amounting to Zloty 23 million or equivalent to Baht 187 million by offsetting the consideration of the shares with short-term loan to (see details in note 9).

2.6 During the year 2022, the Group and the Company had land revalued and recognised the increase in value of land in the consolidated and separate financial statements amounting to Baht 14,765 million and Baht 2,793 million, respectively (2021: Baht 222 million in the consolidated financial statements).

2.7 During the year 2022, the Group and the Company had building revalued and recognised the increase in value of building in the consolidated and separate financial statements amounting to Baht 25,963 million and Baht 2,953 million, respectively (see details in note 14).

The accompanying notes are an integral part of these financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2022

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Charoen Pokphand Foods Public Company Limited
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Notes to the financial statements
For the year ended 31 December 2022

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 2023.

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, primary 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 primary processing 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 (%)		
			2022	2021	
<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 business	Thailand	99.99	99.99	
2) Dak Galbi Group Co., Ltd.	Restaurant business	Thailand	59.99	59.99	
3) Tacham Agricultural Industry Co. , Ltd.	Livestock farming	Thailand	79.99	-	
4) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00	

Charoen Pokphand Foods Public Company Limited
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For the year ended 31 December 2022

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
5) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
5.1) Yipeng, LLC	Restaurant business	United States of America	99.99	99.99
6) Suansomboon Co., Ltd.	Agricultural plant farming	Thailand	99.99	99.99
<i>Direct and indirect subsidiaries</i>				
1) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
1.1) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.98	99.99
1.1.1) Chester's Food Co., Ltd.	Restaurant business	Thailand	99.97	99.99
1.1.2) CPF Restaurant and Food Chain Co., Ltd.	Restaurant business	Thailand	99.97	99.99
1.1.3) C.P. Food Products, Inc.	Importer and distributor of seafood products, RTE products, and frozen fruit	United States of America	99.98	99.99
1.1.4) C.P. Food Singapore Pte Ltd.	Importer and distributor of fresh meat and processed food, including RTE products and seafood	Singapore	99.98	99.99
1.1.5) CPF Denmark A/S	Importer and distributor of fresh meat and processed food, including RTE products and frozen fruit	Denmark	51.99	51.99
1.1.6) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, fresh meat, processed meat, seafood, milk product and RTE products, frozen fruit, and investment	Hong Kong Special Administrative Region	99.98	99.99
1.1.6.1) Consumer Package Commerce Co., Ltd.	Importer and distributor of fresh meat and processed food	South Korea	99.98	99.99
1.1.6.2) CPF Europe S.A.	Importer and distributor of fresh meat and processed food, Including RTE products, dry food, ingredients, seafood, and investment	Belgium	99.97	99.99
1.1.6.2.1) Paulsen Food GmbH	Distributor of fresh meat, processed products, seafood and investment	Germany	99.97	99.98
1.1.6.2.1.1) CPF Distribution GmbH	Distribution of ready meals	Germany	99.97	99.98
1.1.6.2.1.2) ZGG Verwaltungs GmbH	Investment	Germany	99.97	99.98
1.1.6.2.2) CP Foods (UK) Limited and subsidiaries	Importer, repacking services, and distributor of processed meat, including RTE products	United Kingdom	99.97	99.98
1.1.6.2.2.1) The Foodfellas Limited	Importer/exporter and distributor of ingredients, food products and frozen fruit	United Kingdom	99.97	99.98
1.1.6.2.3) Westbridge Food Group Limited	Investment	United Kingdom	99.97	99.99
1.1.6.2.3.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.97	99.99
1.1.6.2.3.2) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.97	99.99

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
1.1.6.2.3.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.97	99.99
1.1.6.2.3.4) Wignall Holdings Limited ⁽³⁾	Investment	United Kingdom	-	99.99
1.1.6.2.3.5) Westbridge Foods (Haydock) Limited ⁽³⁾	Distribution of meat products	United Kingdom	-	99.99
1.1.6.2.3.6) Westbridge Holding B.V.	Investment	Netherlands	99.97	99.99
1.1.6.2.3.7) Westbridge Foods (France) SARL	Distribution of meat products	France	99.97	99.99
1.1.6.2.3.8) Food Trac Limited	Distribution of meat products	United Kingdom	99.97	99.99
1.1.6.2.3.9) Westbridge Group License Companies ⁽³⁾	Importer of poultry meat products	United Kingdom	-	99.99
1.1.7) CPF Food Network Co., Ltd.	Exporter and importer of processed food, including RTE products	Thailand	99.97	-
1.1.8) International Pet Food Co., Ltd.	Production and sale of pet snack products	Thailand	99.97	99.99
1.2) CPF Food and Beverage Co., Ltd.	Production and distributor of ready meals	Thailand	99.98	99.99
1.3) C.P. Foods Holdings Limited	Investment	British Virgin Islands	99.99	100.00
2) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽¹⁾	Chicken integration and livestock farming	Republic of China (Taiwan)	39.00	39.00
2.1) Arbor Acres (Taiwan) Co., Ltd. ⁽¹⁾	Livestock farming	Republic of China (Taiwan)	19.50	19.50
2.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽¹⁾	Importer and distributor of feedstuff additives and animal vaccines	Republic of China (Taiwan)	35.10	35.10
2.3) Chia Tai Lianyungang Co., Ltd. ⁽¹⁾	Investment	Hong Kong Special Administrative Region	39.00	39.00
2.4) Plenty Type Limited ⁽¹⁾	Investment	Cayman Islands	39.00	39.00
2.5) Rui Fu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	19.89	19.89
2.6) Rui Mu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	26.52	26.52
2.7) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	14.92	14.92

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
<i>Other businesses</i>				
<i>Direct subsidiaries</i>				
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
<i>Overseas operations</i>				
<i>Direct subsidiaries</i>				
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) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.2) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.3) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.3.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.4) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) 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 International Limited	Investment	British Virgin Islands	100.00	100.00
4) CP Foods Capital Limited	Investment	British Virgin Islands	100.00	100.00
5) Charoen Pokphand Foods Kenya Co., Ltd. ⁽²⁾	Animal feedmill and livestock farming	Kenya	99.99	99.99
6) Chun Ta Investment Co., Ltd	Investment	Republic of China (Taiwan)	100.00	100.00
7) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
7.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
8) CPF Netherlands B.V	Investment	Netherlands	99.99	99.99
8.1) CP Chozen Limited	Investment	United Kingdom	79.99	79.99
8.1.1) Chozen Holdings Limited	Restaurant business	United Kingdom	79.99	79.99
8.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	79.99	79.99
8.2) 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 (%)	
			2022	2021
8.3) Russia Baltic Pork Invest AS	Investment	Norway	75.82	75.82
8.3.1) Agro-Oskol CJSC	Agricultural plant farming	Russia	75.82	75.82
8.3.2) Agro-Ostrogorszhsk LLC	Agricultural plant farming	Russia	75.82	75.82
8.3.3) Agro-Sojuz TS LLC	Investment	Russia	75.82	75.82
8.3.4) Alekseevskiy Kombikormovy Zavod CJSC	Animal feedmill	Russia	75.82	75.82
8.3.5) Alekseevsky Bekon JSC	Livestock farming	Russia	75.82	75.82
8.3.6) APK Don LLC	Management and advisory service	Russia	75.82	75.82
8.3.7) Chochol Trostjanka LLC	Agricultural plant farming	Russia	75.82	75.82
8.3.8) Donskoy Bekon LLC	Livestock farming	Russia	75.82	75.82
8.3.9) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
8.3.10) Finagro ASP	Financial service	Denmark	75.82	75.82
8.3.11) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.12) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
8.3.13) Mjaso-Sojuz T LLC	Investment	Russia	75.82	75.82
8.3.14) MPK Belgorod LLC	Investment	Russia	75.82	75.82
8.3.15) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.16) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.17) Pravdinsk Pig Production Joint Stock Company	Livestock farming	Russia	75.82	75.82
8.3.18) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.19) RBPI Elite Seeds LLC	Production of elite seeds	Russia	75.82	75.82
8.3.20) RBPI Partner East LLC	Slaughterhouse	Russia	75.82	75.82
8.3.21) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
8.3.22) RBPI Voronezh LLC	Investment	Russia	75.82	75.82
8.3.23) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
8.4) Stesha LLC	Investment	Russia	99.99	99.99
8.4.1) CP Foods Trading LLC	Importer and exporter of meat products	Russia	99.99	99.99
8.4.2) JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	99.99	99.99
8.4.3) JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	99.99	99.99
8.5) Tops Foods NV	Production and distributor of ready meals	Belgium	89.69	84.07
9) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
9.1) CPF Culinar Sp. z o.o.	Production of seafood products	Poland	66.67	66.67
9.2) Food Port Sp. z o.o.	Distributor of seafood products	Poland	66.67	66.67
9.3) PetRepublic Ltd.	Production and sale of pet food	Poland	60.00	60.00
9.4) PLANT-TEC Europe Sp. z o.o.	Investment	Poland	66.67	66.67
10) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
11) Ta Chung Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
<i>Direct and indirect subsidiaries</i>				
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	Property lease-out	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
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43
3.1) C.P. Enterprises Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.2) Chia Tai Biopharmaceutical (Fujian) Co., Ltd. ⁽¹⁾	Production and sale of drugs	China	35.17	35.17
3.3) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.4) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.5) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.6) Golden Industrial Investment Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.7) Henan Chia Tai Biochemistry Trading Co., Ltd. ⁽¹⁾	Trading of animal drugs	China	35.17	35.17
3.8) Pucheng Chia Tai Biochemistry Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
3.9) Shanghai C.P. Industrial Trading Co., Ltd. ⁽²⁾	Sale of machine and spare part	China	50.43	50.43
3.10) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Aquaculture (India) Private Limited	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	India	75.00	75.00
5) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	76.24	52.25
5.1) Advanced Aquaculture Viet Nam Co., Ltd	Aquaculture farming	Vietnam	83.18	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
5.2) AHM Lifestyles - Creative Hospitality Joint Stock Company	Restaurant business	Vietnam	62.43	50.96
5.3) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	76.24	52.25
5.4) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China	76.24	52.25
5.5) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	76.24	52.25
5.6) C.P. Aquaculture (Zhanjiang) Co., Ltd.	Shrimp hatchery business	China	76.24	52.25
5.7) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	76.24	52.25
5.8) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	76.24	52.25
5.9) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	76.24	52.25
5.10) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	76.24	52.25
5.11) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	76.24	52.25
5.12) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	76.24	52.25
5.13) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	83.18	66.18
5.14) C.T. Progressive (H.K.) Limited	Investment	Bermuda	76.24	52.25
5.15) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	76.24	52.25
5.16) Chia Tai (Beijing) Investment Management Co., Ltd.	Management and advisory service	China	76.24	52.25
5.17) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	52.25
5.18) Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	52.25
5.19) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	76.24	52.25
5.20) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	76.24	52.25
5.21) CP China Investment Limited	Investment	Cayman Islands	76.24	52.25
5.22) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	52.25
5.23) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	76.24	52.25
5.24) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	83.18	66.18

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
5.25) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	76.24	52.25
5.26) Dzine Food Solutions Company Limited	Restaurants and mobile catering services	Vietnam	83.18	66.18
5.27) Fujian Chia Tai Food Co., Ltd. ⁽¹⁾	Sale of processed poultry meat	China	53.37	36.57
5.28) Fujian Hetai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	53.37	36.57
5.29) Hannick Limited	Property investment	Hong Kong Special Administrative Region	76.24	52.25
5.30) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	76.24	52.25
5.31) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	76.24	52.25
5.32) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	76.24	52.25
5.33) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	52.25
5.34) Longyan Baotai Agro-Industry Co., Ltd. ⁽¹⁾	Farming and sale of poultry	China	53.37	36.57
5.35) Longyan Chia Tai Co., Ltd. ⁽¹⁾	Production of processed poultry meat	China	53.37	36.57
5.36) Modern State Investments Limited	Investment	British Virgin Islands	76.24	52.25
5.37) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	China	76.24	52.25
6) CPF Tanzania Limited ⁽²⁾	Animal feedmill and livestock farming	Tanzania	99.99	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 Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99
6.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
6.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
6.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
6.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
6.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
6.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
7) Charoen Pokphand Foods Canada Inc. ⁽³⁾	Import and export food products	Canada	-	100.00
8) Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	Malaysia	100.00	100.00
8.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
8.2) Charoen Pokphand Feedmills (B' worth) Sdn. Bhd. ⁽³⁾	Production and sale of processing meat and livestock farming	Malaysia	-	100.00
8.3) Charoen Pokphand Feedmills (M) ⁽²⁾ Sdn. Bhd. ⁽²⁾	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
8.4) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and	Malaysia	100.00	100.00
8.5) Linggi Poultry Farm (M) Sdn. Bhd. ⁽²⁾	Property lease-out	Malaysia	100.00	100.00
8.6) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	100.00
8.7) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
9) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
10) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
10.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	75.00
11) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
12) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
13) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
14) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
15) 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⁾ Closed

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2 Basis of preparation of the financial statements

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. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies described in the notes have been applied consistently to all periods presented in these financial statements except as disclosed in note 3.

The consolidated financial statements relate to the Group and the Group’s interests in associates and joint ventures. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Changes in accounting policy

From 1 January 2022, the Group has changed its accounting policy for the measurement of investment properties from cost method (net of accumulated depreciation and impairment losses) to fair value method in accordance with TAS 40 *Investment Property*, in order to reflect the fair value of the investment properties in the financial statements and to provide more relevant information to the financial statement users for their decision making.

The Group’s investment properties were valued by the independent professional valuers and retrospectively adjusted the previous periods’ comparative information as follows:

**Charoen Pokphand Foods Public Company Limited
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Notes to the financial statements

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(Unit: Million Baht)

	Consolidated financial statements						
	Investment properties	Property, plant and equipment	Deferred tax assets	Deferred tax liabilities	Surplus on revaluation of assets	Non-controlling interests	Retained earnings
As at 1 January 2021							
- as reported	1,433	200,138	2,948	8,962	24,833	70,242	119,893
Impact of changes in accounting policy	4,453	(1,655)	(92)	491	(1,280)	(20)	3,515
As at 1 January 2021 - restated	5,886	198,483	2,856	9,453	23,553	70,222	123,408
As at 31 December 2021							
- as reported	1,956	230,508	4,964	8,554	24,818	72,070	125,249
Impact of changes in accounting policy	4,453	(1,655)	(234)	349	(1,280)	(20)	3,515
As at 31 December 2021 - restated	6,409	228,853	4,730	8,903	23,538	72,050	128,764

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(Unit: Million Baht)

	Separate financial statements		
	Investment properties	Deferred tax assets (liabilities)	Retained earnings
As at 1 January 2021 - as reported	355	91	54,225
Impact of changes in accounting policy	1,167	(234)	933
As at 1 January 2021 - restated	1,522	(143)	55,158
As at 31 December 2021 - as reported	902	1,472	47,436
Impact of changes in accounting policy	1,167	(234)	933
As at 31 December 2021 - restated	2,069	1,238	48,369

From 1 December 2022, the Group has changed its accounting policy for the measurement of buildings and building improvements of animal feed product group and processed foods and ready meals product group from cost method to fair value method in accordance with TAS 16 *Property, Plant and Equipment* prospectively, in order to reflect the fair value of these buildings and building improvements in the financial statements and to provide more relevant information to the financial statement users for their decision making.

The fair value of buildings and building improvements of animal feed product group and processed foods and ready meals product group of the Group and the Company as at 1 December 2022 amounting to Baht 62,366 million and Baht 5,172 million, respectively was appraised by an independent valuer at the replacement cost method and was categorised as Level 3 fair value. The Group and the Company recognised gains on revaluation of buildings and building improvements in the consolidated and separate statement of comprehensive income for the year ended 31 December 2022 of Baht 25,963 million and Baht 2,953 million, respectively.

4 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred. 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.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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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 fair value of the identifiable assets acquired and liabilities assumed. When purchase price is less than net fair value of the identifiable assets acquired and liabilities assumed, gain on bargain purchase is immediately recognised in profit or loss.

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 does not result in a loss of control is accounted for as surplus/deficit from change in shareholders' equity.

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

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.

The Group recognised investments in associates and joint ventures 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 dividend income, 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.

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 or retained earnings.

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.

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 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.

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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

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 4 (f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL), which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or 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.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. 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.

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Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Group's right to receive payment is established, 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.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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.3) Derivatives

Derivative are recognised at fair value and remeasured at the fair value at each reporting date. 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 the nature of the item being hedged.

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

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.

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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 recognised in hedging reserve within shareholders' equity.

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 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 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 is immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

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).

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(d.6) Write-offs

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.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition 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 ECLs. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

The Group estimates lifetime ECLs, using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(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 direct costs incurred in acquired the inventories. 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.

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(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 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 property*

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

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.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

Transfers to property and plant

Transfer from investment property to property and plant in use is measured at fair value at the date of change in use and remeasured in accordance with accounting policy of property and plant.

(k) *Property, plant and equipment*

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 except buildings and building improvements of animal feed product group and processed foods and ready meals product group which are measured at revalued amounts.

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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

The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations of assets 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 "Gains (losses) on revaluation of 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 property

Transfers from owner-occupied property to investment property is measured at fair value of the property transferred at the date of the change in use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when 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.

Transfer of revaluation surplus

The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

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Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on land and assets under construction.

The estimated useful lives are as follows:

Utilities system	3 - 40	years
Buildings and constructions	3 - 65	years
Building improvements and leasehold improvements	3 - 65	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

(l) Goodwill

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.

(m) Research and development

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. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits.

(n) Other intangible assets

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. 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 is capitalised only when it will generate the future economic benefits.

Amortisation

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.

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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

(o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly 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 with less than 12 months of lease term and low value assets which is recognised as an expense on a straight-line basis over the lease term.

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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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 asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. 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, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

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The Group recognises lease payments received under operating leases in profit or loss 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 other income in the accounting period in which they are earned.

The Group estimates lifetime ECLs, using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 4(d).

(p) *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 in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment loss of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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.

(q) *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.

(r) *Employee benefits*

Post-employment benefit - defined contribution plans

Obligations for contributions to the Group's provident funds 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

The Group's net obligation in respect of 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.

(s) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Treasury 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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(u) Fair values Measurement

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.

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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(v) 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.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

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Other income

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

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.

(w) *Income tax*

Income tax expense for the year comprises current and deferred tax, which 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 recognised in respect of the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill 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, associates and joint ventures 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(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) *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 Related party transactions

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions or where the Group and parties are subject to common control or common significant influence.

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 45.89% of the Company's voting rights as of the latest closing date of shareholder register book on 31 August 2022.

5.1 Significant transactions with related parties for the years ended 31 December

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
(a) Income					
Significant influence entity					
Sale of goods		5	1	-	-
Software application income		2	1	-	-
Training and seminar income		1	-	-	-
Subsidiaries					
Dividend income		-	-	19,599	5,587
Gain on sale of investments		-	-	8,478	266
Sale of goods		-	-	5,459	5,907
Interest income		-	-	697	864
Rental, service and other income		-	-	169	126
Gain on sale of fixed assets		-	-	1	3
Associates, joint ventures and related companies					
Sale of goods		69,140	49,475	2,741	1,531
Rental, service and other income		362	412	42	15
Software application income		158	236	-	-
Interest income		109	48	-	-
Dividend income		60	64	6	86
Training and seminar income		11	8	-	-

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				(Unit: Million Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
(b)	Expenses and others				
	Significant influence entity				
	Purchase of raw materials and goods	12,143	11,023	2,699	2,402
	Trademark license fees	4,903	4,304	336	310
	Technical service fees	120	103	-	-
	Subsidiaries				
	Purchase of raw materials and goods	-	-	1,609	1,762
	Interest expense	-	-	402	78
	Software application fees	-	-	178	178
	Cost of right-of-use assets	-	-	91	54
	Training and seminar fees	-	-	24	18
	Construction costs of buildings, structures and others	-	-	10	-
	Rental and service fees	-	-	4	8
	Other expenses	-	-	39	58
	Associates, joint ventures and related companies				
	Purchase of raw materials and goods	58,241	46,345	1,207	1,025
	Construction costs of buildings, structures and others	2,680	2,427	49	42
	Cost of right-of-use assets	847	674	231	69
	Rental and service fees	775	855	76	76
	Software application fees	316	213	-	-
	Training and seminar fees	267	208	13	6
	Purchase of equipment and others	222	247	25	35
	Trademark license fees	186	247	-	-
	Interest expense	89	44	-	-
	Loss on sale of fixed assets	-	52	-	-
	Other expenses	3,733	2,146	118	116

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5.2 Balances with related parties as at 31 December were as follows:

5.2.1 Accounts receivable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Significant influence entity	3	2	-	-
Subsidiaries	-	-	616	671
Associates and joint ventures	8,654	7,258	60	61
Related companies	5,632	5,035	1,345	1,174
Total	14,289	12,295	2,021	1,906

5.2.2 Short-term loans to related parties

	Separate financial statements		<i>(Unit: Million Baht)</i>	
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Subsidiaries	8,020	6,876	6,934	13,280
Total	8,020	6,876	6,934	13,280

5.2.3 Advance payments for purchase of goods

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Associates and joint ventures	53	65	-	-
Related companies	2,706	2,344	-	-
Total	2,759	2,409	-	-

5.2.4 Accrued dividend income

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Associates	157	172	-	-
Total	157	172	-	-

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5.2.5 Long-term loans to related parties

	(Unit: Million Baht)			
	Consolidated financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Associates	-	49	4	49
Less current portion	-	(12)	-	-
Net	-	37	4	49

	(Unit: Million Baht)			
	Separate financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Subsidiary	3,758	570	6,672	570
Less current portion	(540)	-	-	-
Total	3,218	570	6,672	570

As at 31 December 2022, the loans bear interest at 4.60% to 5.91% per annum (2021: 2.81% to 5.88% per annum). The Group and the Company compute the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

5.2.6 Accounts payable - trade and others

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Significant influence entity	362	435	7	79
Subsidiaries	-	-	96	72
Associates and joint ventures	8,393	7,565	7	6
Related companies	10,905	6,663	62	108
Total	19,660	14,663	172	265

5.2.7 Short-term borrowings from related parties

	(Unit: Million Baht)			
	Consolidated financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Associates and joint ventures	1,104	837	1,002	779
Related companies	890	619	872	360
Total	1,994	1,456	1,874	1,139

	(Unit: Million Baht)			
	Separate financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Subsidiaries	11,170	-	11,056	1,315
Total	11,170	-	11,056	1,315

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As at 31 December 2022, the borrowings bear interest at 3.75% to 4.88% per annum (2021: 4.02% to 5.27% per annum). The Group and the Company compute the average balance from the outstanding balances of the borrowings at the end of each month excluding accrued interest expense.

5.2.8 Lease liabilities

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	2022	2021	2022	2021
Subsidiary	-	-	87	54
Associates	536	578	-	-
Related companies	2,687	2,747	311	200
Total	3,223	3,325	398	254

5.3 Key management personnel compensation

Key management personnel compensation consists of:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	2022	2021	2022	2021
<i>For the year ended 31 December</i>				
Short-term employee benefits	1,808	1,868	224	249
Post-employment under defined benefit plans	20	25	5	5
Total	1,828	1,893	229	254
<i>As at 31 December</i>				
Provisions for employee benefits	567	615	109	98
Total	567	615	109	98

5.4 Commitments

As at 31 December, the Group had commitments with related parties as follows:

Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	2022	2021	2022	2021
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	838	905	5	2

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5.5 Significant agreements

As at 31 December 2022, the Group had the following significant agreements with related parties:

5.5.1 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.

5.5.2 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.

5.5.3 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.

5.5.4 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.

5.5.5 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.

5.5.6 Agreements for share service

The Company has share service agreements with certain subsidiaries to provide services as stipulated in the agreements such as services related to policy and accounting principles, compliance, legal and financial management and financing. In this regard, the subsidiaries are committed to pay the service fees to the Company in accordance with the terms, conditions and rates as stipulated in the agreements.

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6 Cash and cash equivalents

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash at financial institutions and on hand	26,834	30,040	1,902	2,679
Highly liquid short-term investments	6,116	6,646	-	-
Total	32,950	36,686	1,902	2,679

7 Inventories

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Raw materials	44,278	40,765	1,516	1,525
Chemicals and supplies	3,999	3,662	174	186
Work in progress	2,173	2,841	201	289
Finished goods	24,761	18,841	972	759
Inventories in transit	8,950	8,438	11	42
Total	84,161	74,547	2,874	2,801
<i>Less allowance for decline in value of inventories</i>	<i>(1,081)</i>	<i>(1,116)</i>	<i>(13)</i>	<i>(17)</i>
Net	83,080	73,431	2,861	2,784

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2022 in the consolidated and the separate statement of income amounting Baht 393,211 million and Baht 19,101 million, respectively (2021: Baht 330,559 million and Baht 17,104 million, respectively).

In 2022, the Group and the Company recognised a reversal of allowance for a decline in value of inventories of Baht 35 million and Baht 4 million, respectively (2021: The Group and the Company recognised losses for a decline in value of inventories of Baht 382 million and a reversal of allowance for a decline in value of inventories of Baht 28 million, respectively).

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8 Biological assets

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
At 1 January	57,913	47,456	789	985
Acquired through business combination	70	1,801	-	-
Increase due to purchase/raise	197,742	168,429	6,889	7,514
Decrease due to sale/harvest	(182,914)	(153,997)	(6,413)	(7,435)
Depreciation	(7,388)	(6,492)	(104)	(106)
Gains (losses) on change in fair value				
less costs to sell	1,411	(2,381)	-	-
Currency translation differences	113	3,413	-	-
Others	(172)	(316)	(235)	(169)
Balance at 31 December	66,775	57,913	926	789
Current				
Livestock	52,697	46,059	-	-
Aquatic	1,842	1,896	926	789
Total current	54,539	47,955	926	789
Non-current				
Livestock	12,236	9,958	-	-
Total non-current	12,236	9,958	-	-
Total	66,775	57,913	926	789

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:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Livestock	1,036,471	987,624	-	-
Aquatic	15,832	25,291	4,007	3,945

(Unit: Tons)

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:

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2022					
Biological assets at fair value					
less costs to sell	17,057	-	10,343	6,714	17,057
31 December 2021					
Biological assets at fair value					
less costs to sell	13,130	-	6,802	6,328	13,130

(Unit: Million Baht)

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.

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 2022</p> <ul style="list-style-type: none"> Suckling swine Baht 2,490 per head Weanling swine Baht 2,490 per head Fattening swine Baht 83 to Baht 84 per kilogram Sow Baht 14,546 to Baht 20,237 per head 	<p>On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 2,018 million.</p>

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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.

9 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
At 1 January	-	-	228,979	227,368
Acquisitions/additional investments	-	-	23,022	1,645
Disposals	-	-	(3,600)	(34)
Impairment losses	-	-	(7,172)	-
At 31 December	-	-	241,229	228,979

During the year 2022

- (a) The Company increased share capital in C.P. Foods International Limited, a 100.00% directly owned subsidiary of the Company, for 213,600,000 shares amounting to Baht 7,171 million by offsetting the consideration of the shares with dividend income from CPF Investment Limited ("CPFI").
- (b) The Company entered into agreements to acquire 49,267,115 ordinary shares of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ("CPE") from CPFI amounting to US Dollar 135 million or equivalent to Baht 4,815 million, 10,000,000 ordinary shares of Ta Chung Investment Co., Ltd. ("Ta Chung") amounting to US Dollar 34 million or equivalent to Baht 1,222 million, and 5,000,000 ordinary shares of Chun Ta Investment Co., Ltd. ("Chun Ta") amounting to US Dollar 42 million or equivalent to Baht 1,473 million by offsetting the consideration of the shares with dividend income from CPFI totalling US Dollar 211 million or equivalent to Baht 7,510 million.
- (c) The Company increased share capital in CPF Poland S.A. ("CPF Poland"), a 66.67% directly owned subsidiary of the Company, for 86,440 shares by cash payment of Zlotty 22 million or equivalent to Baht 161 million and by offsetting the consideration of the shares with short-term loan to CPF Poland amounting to Zlotty 23 million or equivalent to Baht 187 million. In this regard, the registration was not yet completed, the Company recognised this transaction as other non-current assets as at 31 December 2022.
- (d) The Company completed the registration of share capital in CPF Poland, for the increased share capital in 2021, for 28,000 shares amounting to Zloty 14 million or equivalent to Baht 123 million, and the Company classified this transaction from other non-current assets to investment in subsidiaries.
- (e) The Company increased share capital in Bellisio Investment, LLC, a 100.00% directly owned subsidiary of the Company, for 155,500 shares amounting to US Dollar 156 million or equivalent to Baht 5,285 million.

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- (f) The Company increased share capital in CPF Netherlands B.V., a 99.99% directly owned subsidiary of the Company, for 62,000,000 shares amounting to US Dollar 62 million or equivalent to Baht 2,232 million.
- (g) The Company increased share capital in CPF Investment Limited, a 100.00% directly owned subsidiary of the Company, for 15,114,285 shares amounting to US Dollar 15 million or equivalent to Baht 522 million.
- (h) The Company increased share capital in Homegrown Shrimp (USA), LLC, a 100.00% directly owned subsidiary of the Company, for 5,000,000 shares amounting to US Dollar 5 million or equivalent to Baht 179 million.
- (i) The Company partially sold its interest in 360,000,000 ordinary shares of CPM with the carrying amount in the separate financial statements of Baht 3,600 million to CPF (Thailand) Public Company Limited (“CPFTH”). CPFTH offset the consideration of the shares by making an agreement with CPM to repay a loan from CPFTH of Baht 12,078 million to the Company. Such amount was recognised as loan to related party in the separate financial statements. In this regard, the Company recognised gains on sale of investments (net transaction costs) of Baht 8,466 million. As a result, the Company’s ownership interest in CPM decreased from 87.54% to 79.46%. Subsequently, CPM issued new ordinary shares to CPM’s shareholders in proportion to their existing holdings. However, the Company renounced the shares offered, as a result, the Company’s ownership interest in CPM decreased from 79.46% to 68.21%.
- (j) During the year 2022, the Group has completed the fair value assessment of the net assets acquired from the acquisition of swine business in Russia by RBPI Voronezh LLC, a 75.82% indirectly owned subsidiary of the Company from Tönnies Russland Agrar GmbH, RKS Agrarbeteiligungs GmbH and Tönnies Holding ApS & Co. KG in quarter 4 of 2021 and has concluded that the fair value has not changed materially from the assessed and recognised amount as at 31 December 2021.

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Details of investments in subsidiaries

Investments in subsidiaries as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	2022	2021	2022	2021	2022	2021	2022	2021
Marketable securities								
Chia Tai Enterprises International Limited	4.98	4.98	500	500	-	-	500	500
Total			500	500	-	-	500	500
Non-marketable securities								
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	1,230	1,230	-	-	1,230	1,230
CPF (Thailand) Public Company Limited	99.99	99.99	48,510	48,510	-	-	48,510	48,510
CPF Training Center Co., Ltd.	99.99	99.99	20	20	-	-	20	20
CPF IT Center Co., Ltd.	99.99	99.99	250	250	-	-	250	250
C.P. Merchandising Co., Ltd.	68.21	87.54	35,400	38,999	-	-	35,400	38,999
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	-	-	500	500
Bellisio Investment, LLC	100.00	100.00	42,357	37,072	-	-	42,357	37,072
C.P. Aquaculture (India) Private Limited	62.50	62.50	1,217	1,217	-	-	1,217	1,217
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	-	-	126	126
C.P. Foods Holdings Limited	-	100.00	-	1	-	-	-	1
C.P. Foods International Limited	100.00	100.00	7,172	1	(7,172)	-	-	1
C.P. Pokphand Co., Ltd.	4.98	4.98	4,691	4,691	-	-	4,691	4,691
CP Foods Capital Limited	100.00	100.00	1	1	-	-	1	1
Charoen Pokphand Enterprise (Taiwan) Co., Ltd.	18.38	-	4,815	-	-	-	4,815	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	(8)	(8)	-	-
Charoen Pokphand Foods (Overseas) LLC	4.15	8.15	1,394	1,394	(1,141)	(1,141)	253	253
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	1,055	1,055	-	-	1,055	1,055

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Details of investments in subsidiaries (Continued)

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	2022	2021	2022	2021	2022	2021	2022	2021
Chun Ta Investment Co., Ltd.	100.00	-	1,473	-	-	-	1,473	-
CPF Investment Limited	100.00	100.00	56,166	55,644	-	-	56,166	55,644
CPF Tanzania Limited	58.26	58.26	129	129	(129)	(129)	-	-
CPF Netherlands B.V.	99.99	99.99	40,380	38,148	-	-	40,380	38,148
CPF Poland S.A.	66.67	66.67	368	245	-	-	368	245
Homegrown Shrimp (USA) LLC	100.00	100.00	695	516	-	-	695	516
Ta Chung Investment Co., Ltd.	100.00	-	1,222	-	-	-	1,222	-
Total			249,179	229,757	(8,450)	(1,278)	240,729	228,479
Grand Total			249,679	230,257	(8,450)	(1,278)	241,229	228,979

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10 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	
	2022	2021	2022	2021	2022	2021
Non-controlling interests percentage*	23.76	47.75	49.57	49.57	61.00	61.00
Current assets	71,510	64,617	4,477	4,138	9,835	8,356
Non-current assets	168,812	158,336	8,919	9,262	23,199	22,891
Current liabilities	(72,933)	(52,270)	(2,677)	(1,957)	(10,020)	(8,404)
Non-current liabilities	(39,171)	(45,152)	(903)	(1,058)	(9,019)	(9,051)
Net assets	128,218	125,531	9,816	10,385	13,995	13,792
Goodwill of non-controlling interests	2,634	5,085	-	-	-	-
Carrying amount of non-controlling interests**	28,443	57,403	3,596	3,742	8,021	7,842

* 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:

	<i>(Unit: Million Baht)</i>					
	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	
	2022	2021	2022	2021	2022	2021
Revenue	163,798	143,524	5,577	5,267	34,180	28,645
Profit (loss) for the year	(603)	(1,347)	(101)	851	1,822	1,510
Other comprehensive income (expense)	(5,318)	16,085	(234)	1,021	(515)	734
Total comprehensive income	(5,921)	14,738	(335)	1,872	1,307	2,244
Profit (loss) attributable to non-controlling interests	(868)	(546)	79	444	1,114	903
Other comprehensive income (expense) attributable to non-controlling interests	(7,657)	6,529	183	401	(315)	439
Cash flows from operating activities	4,290	1,249	154	(350)	1,598	845
Cash flows from investing activities	(6,990)	(3,942)	(517)	(340)	(2,460)	(3,877)
Cash flows from financing activities	5,466	(10,520)	377	644	1,003	2,961
Effect of exchange rate changes on balances held in foreign currencies	(84)	99	(22)	7	2	(2)
Net increase (decrease) in cash and cash equivalents	2,682	(13,114)	(8)	(39)	143	(73)
Dividend paid to non-controlling interests	-	4,973	(199)	-	(593)	849

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Acquisition of non-controlling interests

C.P. Pokphand Co., Ltd. (“CPP”)

As the withdrawal of listing of CPP’s ordinary shares from the Stock Exchange of Hong Kong Limited was approved by CPP’s shareholders, on 25 January 2022, CPF Investment Limited (“CPFI”), a wholly-owned subsidiary of the Company, paid for the cancelled ordinary shares of CPP for 6,079,356,827 shares which equal to 25.26% totalling HK Dollar 6,992 million or equivalent to Baht 29,789 million sourcing from the internal cash resources and borrowing from financial institution. As a result, the Group’s ownership interest in CPP increased from 52.25% to 76.24%.

	<i>(Unit: Million Baht)</i>
	Consolidated
	financial statements
Carrying amount of non-controlling interests acquired	29,129
Consideration transferred	29,789
A decrease in equity attributable to equity holders of the Company	(660)

	<i>(Unit: Million Baht)</i>
	Consolidated
	financial statements
A decrease in equity attributable to equity holders of the Company	
comprised:	
Surplus from change in shareholders’ equity in subsidiary	(978)
Loss on revaluation of assets	(80)
Loss on cash flow hedges	(3)
Foreign currency translation differences	401
Total	(660)

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11 Investments in associates

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
At 1 January	230,428	217,839	1,646	5,534
Acquisition/additional investments	6,167	55,130	-	-
Disposals	(2,933)	(54,875)	(1,486)	(3,712)
Share of profit	6,660	3,576	-	-
Share of other comprehensive income				
(expense)	(2,440)	5,921	-	-
Dividend income	(2,556)	(4,789)	-	-
Previously held interest in associate				
before status change to subsidiary	-	(1,076)		(176)
Changes in fair value of previously				
held interest in associate before				
status change to subsidiary	-	487	-	-
Gain from swap investment with shares	-	7,849	-	-
Others	15	366	-	-
At 31 December	235,341	230,428	160	1,646

The Group accounts for the investment in CP ALL Public Company Limited (“CPALL”) and Siam Makro Public Company Limited (“Makro”), which are listed companies in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2022, the fair value of the investments were Baht 209,047 million and Baht 37,209 million, respectively (2021: Baht 180,181 million and Baht 39,315 million, respectively).

During the year 2022, the Group partially sold its interest in CPALL with the carrying amount in the consolidated financial statements of Baht 2,933 million, and the Company sold its entire 0.28% interest in CPALL with the carrying amount in the separate financial statements of Baht 1,486 million. In this regard, the Group and the Company recognised gains on sale of investments of Baht 2,553 million and Baht 143 million, respectively. As at 31 December 2022, the Group holds 34.09% interest in CPALL.

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Details of investments in associates

Investments in associates as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

Consolidated financial statements											
Country of operation	Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net		
	(%)		2022	2021	2022	2021	2022	2021	2022	2021	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Marketable securities											
CP ALL Public Company Limited	Thailand	34.09	33.99	96,023	87,929	113,852	108,271	-	-	113,852	108,271
Siam Makro Public Company Limited *	Thailand	8.85	8.85	45,451	45,451	45,799	45,591	-	-	45,799	45,591
Total				141,474	133,380	159,651	153,862	-	-	159,651	153,862
Non-marketable securities											
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	159	172	-	-	159	172
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	35	35	165	153	-	-	165	153
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	79	30	48	10	-	-	48	10
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	2	2	220	240	-	-	220	240
A.P.P Enterprise INC.	Philippines	39.60	39.60	-	-	15	8	-	-	15	8
BHJ Kalino Food AB **	Sweden	15.08	15.08	24	24	32	29	-	-	32	29

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Details of investments in associates (Continued)

(Unit: Million Baht)

Consolidated financial statements											
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Equity method		Accumulated impairment		At equity - net	
		(%)									
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	China	38.12	26.12	8	8	4	4	-	-	4	4
Chia Tai Investment Co., Ltd.	China	26.69	18.29	71,045	71,045	72,129	73,250	-	-	72,129	73,250
Cixi Zhuda Investment Centre Limited Partnership	China	34.69	23.77	4	4	4	4	-	-	4	4
Cloud Food System Joint Stock Company ***	Vietnam	19.40	-	119	-	115	-	-	-	115	-
Conti Chia Tai International Limited	China	38.12	26.12	1,052	1,052	929	916	-	-	929	916
Kamereo Company Limited	Singapore	10.40	-	67	-	61	-	-	-	61	-
Rosleko Sp. z o.o.	Poland	26.67	26.67	-	-	-	-	-	-	-	-
Sao Ta Foods Joint Stock Company	Vietnam	20.71	16.48	1,193	1,193	1,237	1,190	-	-	1,237	1,190
Zhan Jiang Deni Carburetor Co., Ltd. ****	China	14.12	14.12	424	424	572	590	-	-	572	590
Total				74,212	73,977	75,690	76,566	-	-	75,690	76,566
Grand total				215,686	207,357	235,341	230,428	-	-	235,341	230,428

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* Makro is an associate in which 8.85% of the total issued and paid share capital was held by CPM, a 99.99% directly and indirectly owned subsidiary. The Group exercises significant influence in Makro by having representatives in the board of directors and involving in setting the policy and making the significant decisions of Makro. The Group accounted its investment in Makro using the equity method in the consolidated financial statements.

** BHJ Kalino Food AB (“BHJ”) is an associate in which 29.00% of the total issued and paid share capital was held by CPF Denmark A/S, a 51.99% 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.

*** Cloud Food System Joint Stock Company (“Cloud Food”) and Kamereo Company Limited (“Kamereo”) are associates in which 23.33% and 12.50% of the total issued and paid-up share capital was held by C.P. Vietnam Corporation, a 83.18% indirectly owned subsidiary. In this regard, the Group accounted for its investment in Cloud Food and Kamereo using the equity method based on 19.40% and 10.40% shareholdings in the consolidated financial statements, respectively.

**** Zhan Jiang Deni Carburetor Co., Ltd. (“Zhanjiang Deni”) is an associate in which 28.00% of the total issued and paid-up share capital was held by Chia Tai Enterprises International Limited, 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 (Continued)

(Unit: Million Baht)

		Separate financial statements							
	Country of operation	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
		2022	2021	2022	2021	2022	2021	2022	2021
Marketable security									
CP ALL Public Company Limited	Thailand	-	0.28	-	1,486	-	-	-	1,486
Total				-	1,486	-	-	-	1,486
Non-marketable securities									
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	-	-	160	160
Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	1	1	(1)	(1)	-	-
Total				161	161	(1)	(1)	160	160
Grand Total				161	1,647	(1)	(1)	160	1,646

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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		Chia Tai Investment Co., Ltd.		(Unit: Million Baht) Siam Makro Public Company Limited and its subsidiaries	
	2022	2021	2022	2021	2022	2021
<i>Financial information of the associate</i>						
Revenue	853,427	594,085	259,319	224,058	469,963	74,049
Profit (loss) from continuing operations	16,221	11,987	4,490	(4,669)	7,682	1,488
Other comprehensive income (expense)	(329)	1,834	(9,069)	26,924	(56)	(140)
Total comprehensive income (expense)	15,892	13,821	(4,579)	22,255	7,626	1,348
Attributable to non-controlling interests	2,949	(933)	744	700	(15)	1
Attributable to the equity holder of the associate	12,943	14,754	(5,323)	21,555	7,641	1,347
Current assets	148,955	165,773	102,083	88,111	87,355	110,000
Non-current assets	775,106	766,680	284,812	279,904	461,347	459,549
Current liabilities	(207,443)	(214,888)	(119,400)	(103,733)	(90,763)	(118,211)
Non-current liabilities	(426,317)	(424,758)	(57,297)	(46,776)	(166,949)	(162,781)
Net assets	290,301	292,807	210,198	217,506	290,990	288,557

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	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		(Unit: Million Baht) Siam Makro Public Company Limited and its subsidiaries	
	2022	2021	2022	2021	2022	2021
Attributable to non-controlling interests	193,974	204,034	6,515	6,816	583	501
Attributable to the equity holder of the associate	96,327	88,773	203,683	210,690	290,407	288,056
<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	30,174	27,400	38,524	35,759	25,485	25,900
Total comprehensive income (expense) attributable to the Group	4,404	5,012	(1,103)	3,941	638	149
Dividends received during year	(1,823)	(2,760)	-	(1,284)	(468)	-
Difference from change in ownership	80	522	16,933	108	38	(564)
Group's interests in net assets of the associates at end of year	32,835	30,174	54,354	38,524	25,693	25,485
Goodwill	81,017	78,097	17,775	34,725	20,106	20,051
Transaction costs	-	-	-	-	-	55
Carrying amount of the interests in the associate at 31 December	113,852	108,271	72,129	73,249	45,799	45,591

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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	
	2022	2021
Carrying amount of interests in immaterial associates	3,561	3,317
Group's share of:		
- Profit from continuing operations	271	200
- Other comprehensive income	11	29
- Total comprehensive income	282	229

12 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
			financial statements	
	2022	2021	2022	2021
At 1 January	22,412	21,014	4,360	4,360
Acquisition/additional investments	1,280	798	-	-
Share of profit	(2,915)	591	-	-
Share of other comprehensive income (expense)	(200)	1,142	-	-
Dividend income	(453)	(1,133)	-	-
At 31 December	20,124	22,412	4,360	4,360

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Details of investments in joint ventures

Investments in joint ventures as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

Consolidated financial statements											
	Country of operation	Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net	
		(%)		2022	2021	2022	2021	2022	2021	2022	2021
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>Non-marketable securities</i>											
CP-Meiji Co., Ltd. (“CP-Meiji”) *	Thailand	59.99	59.99	1,200	1,200	2,781	2,859	-	-	2,781	2,859
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	India	74.99	74.99	98	98	80	90	-	-	80	90
Camanor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	357	373	-	-	357	373
CP-MP Logistics Joint Stock Company	Vietnam	40.76	32.43	4	4	2	2	-	-	2	2
ECI Metro Enterprises (Hong Kong) Co., Ltd.	Hong Kong	25.21	25.21	-	-	-	-	-	-	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	1,296	1,296	2,963	3,174	-	-	2,963	3,174
Feng Sheng Livestock Co., Ltd.	Taiwan	19.51	19.51	107	107	107	112	-	-	107	112
HyLife Group Holdings Ltd.**	Canada	50.10	50.10	11,983	10,703	10,404	12,344	-	-	10,404	12,344
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	3,389	3,366	-	-	3,389	3,366
Well Well Invest S.A.	Poland	33.33	33.33	83	83	30	86	-	-	30	86
Westbridge Foods Holding B.V.**	Netherlands	49.99	49.99	6	6	11	6	-	-	11	6
Total				19,137	17,857	20,124	22,412	-	-	20,124	22,412

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* 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.

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	
	<u>2022</u>	<u>2021</u>
Carrying amount of interests in immaterial joint ventures	<u>20,124</u>	<u>22,412</u>
Group's share of:		
- Profit from continuing operations	(2,915)	591
- Other comprehensive income	(200)	1,142
- Total comprehensive income	<u>(3,115)</u>	<u>1,733</u>

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	
	<u>2022</u>	<u>2021</u>
Group's share of the commitments	679	758

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Details of investments in joint ventures (Continued)

(Unit: Million Baht)

Separate financial statements									
	Country of operation	Ownership interest		Cost method		Accumulated impairment		At cost - net	
		(<i>%</i>)							
		2022	2021	2022	2021	2022	2021	2022	2021
<i>Non-marketable securities</i>									
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	-	-	566	566
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	-	-	3,794	3,794
Total				4,360	4,360	-	-	4,360	4,360

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13 Investment properties

		Consolidated			<i>(Unit: Million Baht)</i>	
		financial statements			Separate	
					financial statements	
	<i>Note</i>	<u>Land</u>	<u>Building and improvement</u>	<u>Total</u>	<u>Land</u>	<u>Total</u>
Cost						
At 1 January 2021		1,478	62	1,540	357	357
Impact of changes in accounting policy	3	4,374	-	4,374	1,165	1,165
At 1 January 2021		5,852	62	5,914	1,522	1,522
Additions		555	-	555	554	554
Acquired through business acquisitions		273	-	273	-	-
Transfers		1	1	2	-	-
Transfers to property, plant and equipment	14	(273)	(28)	(301)	-	-
Disposals		(7)	-	(7)	(7)	(7)
Currency translation differences		-	5	5	-	-
At 31 December 2021		6,401	40	6,441	2,069	2,069
and 1 January 2022		6,401	40	6,441	2,069	2,069
Revaluation		1,766	-	1,766	608	608
Transfers to property, plant and equipment	14	(108)	-	(108)	-	-
Disposals		(125)	(41)	(166)	-	-
Currency translation differences		-	1	1	-	-
At 31 December 2022		7,934	-	7,934	2,677	2,677
Depreciation and impairment losses						
At 1 January 2021		(79)	(28)	(107)	(2)	(2)
Impact of changes in accounting policy	3	79	-	79	2	2
At 1 January 2021		-	(28)	(28)	-	-
Currency translation differences		-	(4)	(4)	-	-
At 31 December 2021		-	(32)	(32)	-	-
and 1 January 2022		-	(32)	(32)	-	-
Disposals		-	33	33	-	-
Currency translation differences		-	(1)	(1)	-	-
At 31 December 2022		-	-	-	-	-
Net book value						
At 31 December 2021		6,401	8	6,409	2,069	2,069
At 31 December 2022		7,934	-	7,934	2,677	2,677

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Fair value measurement

Appraisal prices of the investment properties were valued by the independent professional valuers using Market Comparison Approach, at fair market values. The fair value measurement for the investment properties have been categorised as a Level 3 based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of investment properties, 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 investment properties adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

14 Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements							
	<i>Note</i>	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/revaluation							
At 1 January 2021		47,447	107,216	106,442	12,324	21,088	294,517
Additions		74	378	1,714	1,283	21,022	24,471
Acquired through business acquisitions		2,907	5,756	2,432	366	49	11,510
Surplus on revaluation		222	-	-	-	-	222
Transfers		424	8,802	7,636	1,990	(18,999)	(147)
Transfers from investment properties	13	273	28	-	-	-	301
Disposals		(254)	(1,182)	(2,251)	(792)	(33)	(4,512)
Currency translation differences		1,072	6,434	6,564	770	2,145	16,985
At 31 December 2021 and 1 January 2022		52,165	127,432	122,537	15,941	25,272	343,347
Additions		802	426	1,196	1,589	24,326	28,339
Surplus on revaluation		14,765	25,963	-	-	-	40,728
Transfers		530	11,564	10,849	1,217	(24,604)	(444)
Transfers from investment properties	13	108	-	-	-	-	108
Disposals		(73)	(1,144)	(2,334)	(482)	(160)	(4,193)
Currency translation differences		(515)	(1,888)	(1,715)	(228)	552	(3,794)
At 31 December 2022		67,782	162,353	130,533	18,037	25,386	404,091

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14 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 2021	-	(38,035)	(50,285)	(7,714)	-	(96,034)
Depreciation charge for the year	-	(5,911)	(9,178)	(1,384)	-	(16,473)
Reversal of impairment losses	-	227	40	6	-	273
Transfers	-	109	13	85	-	207
Disposals	-	731	1,749	490	-	2,970
Currency translation differences	-	(2,166)	(2,863)	(408)	-	(5,437)
At 31 December 2021 and 1 January 2022	-	(45,045)	(60,524)	(8,925)	-	(114,494)
Depreciation charge for the year	-	(6,581)	(9,897)	(1,811)	-	(18,289)
Reversal of impairment (losses)	-	(81)	36	-	-	(45)
Transfers	-	232	149	57	-	438
Disposals	-	1,017	2,161	458	-	3,636
Currency translation differences	-	343	864	120	-	1,327
At 31 December 2022	-	(50,115)	(67,211)	(10,101)	-	(127,427)
Net book value						
At 31 December 2021	52,165	82,387	62,013	7,016	25,272	228,853
At 31 December 2022	67,782	112,238	63,322	7,936	25,386	276,664

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14 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Separate 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 2021	9,221	12,607	11,676	1,037	117	34,658
Additions	-	-	89	27	174	290
Transfers	-	54	132	5	(191)	-
Disposal	-	(118)	(137)	(15)	-	(270)
At 31 December 2021 and 1 January 2022	9,221	12,543	11,760	1,054	100	34,678
Additions	-	-	87	29	337	453
Surplus on revaluation	2,793	2,953	-	-	-	5,746
Transfers	-	116	89	4	(217)	(8)
Disposal	-	(794)	(1,049)	(58)	-	(1,901)
At 31 December 2022	12,014	14,818	10,887	1,029	220	38,968
Accumulated depreciation and impairment losses						
At 1 January 2021	-	(8,460)	(8,398)	(965)	-	(17,823)
Depreciation charge for the year	-	(631)	(637)	(36)	-	(1,304)
Disposals	-	104	118	14	-	236
At 31 December 2021 and 1 January 2022	-	(8,987)	(8,917)	(987)	-	(18,891)
Depreciation charge for the year	-	(522)	(514)	(32)	-	(1,068)
Reversal of impairment (losses)	-	(13)	11	-	-	(2)
Disposals	-	722	976	57	-	1,755
At 31 December 2022	-	(8,800)	(8,444)	(962)	-	(18,206)
Net book value						
At 31 December 2021	9,221	3,556	2,843	67	100	15,787
At 31 December 2022	12,014	6,018	2,443	67	220	20,762

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Capitalised borrowing cost in 2022 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 470 million and Baht 3 million, respectively (2021: *Baht 335 million and Baht 2 million, respectively*) is recognised as a part of cost of assets.

Revaluation

Appraisal prices of the land which were valued by the independent professional valuers at fair values using Market Comparison Approach has been categorised as a Level 2 of Baht 309 million and a Level 3 of Baht 67,473 million fair value for the Group and a Level 3 of Baht 12,014 million for the Company based on the inputs to the valuation technique used as at 31 December 2022 (2021: *a Level 2 of Baht 254 million and a Level 3 of Baht 51,911 million for the Group and a Level 3 of Baht 9,221 million for the Company*).

Appraisal prices of the buildings and building improvements of animal feed product group and processed foods and ready meals product group which were valued by the independent professional valuers at fair values using Replacement Cost Approach, has been categorised as a Level 3 of Baht 62,967 million and Baht 5,171 million for the Group and the Company as at 31 December 2022, respectively, based on the inputs to the valuation technique used.

As at 31 December 2022, net book value of these land and building and building improvements of the Group and the Company would have been Baht 62,644 million and Baht 5,187 million, respectively, if they were measured at cost.

The following table shows the valuation technique used in measuring the fair value of land, buildings and improvement of animal feed, processed foods and ready meals products, 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).
Replacement cost approach	Construction cost and the depreciation of buildings adjusted by other factors.	The estimated fair value increases (decreases) if the construction cost per area increases (decreases).

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15 Leases

As a lessee

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2022	2021	financial statements	2021
Right-of-use assets				
Land and buildings	28,307	27,459	175	121
Equipment	2,405	2,002	226	73
Vehicles	1,561	1,440	208	179
Leasehold rights	3,609	3,763	-	-
Total	35,882	34,664	609	373

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 7,117 million and Baht 486 million, respectively (2021: 5,915 million and Baht 215 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 56 years expiring in 2023 to 2078.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
<i>For the year ended 31 December</i>	2022	2021	financial statements	2021
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and buildings	4,070	3,955	126	144
- Equipment	496	425	21	12
- Vehicles	640	609	100	106
Interest on lease liabilities	2,909	2,703	21	11
Expenses relating to short-term leases	2,045	1,718	34	52
Expenses relating to leases of low-value assets	23	22	1	1
Variable lease payments based on sales	171	74	11	3
Lease expense	2,239	1,814	46	56
Contingent rent expense	2,417	656	2	3

In 2022, total cash outflow for leases of the Group and the Company were Baht 7,802 million and Baht 331 million, respectively (2021: Baht 6,860 million and Baht 316 million, respectively).

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16 Goodwill

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2022	2021
<i>Cost</i>		
At 1 January	66,918	60,666
Acquired through business acquisitions	-	656
Currency translation differences	2,386	5,596
At 31 December	69,304	66,918
<i>Impairment loss</i>		
At 1 January	(6,101)	(6,101)
Impairment loss	(436)	-
At 31 December	(6,537)	(6,101)
<i>Net book value</i>		
At 1 January	60,817	54,565
At 31 December	62,767	60,817

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.

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.

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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.

17 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 2021	869	1,929	5,393	9,925	18,116
Additions	168	5	-	124	297
Acquired through business acquisitions	3	-	-	-	3
Transfers	17	71	-	(5)	83
Disposals	(38)	-	-	(17)	(55)
Currency translation differences	44	189	560	872	1,665
At 31 December 2021 and 1 January 2022	1,063	2,194	5,953	10,899	20,109
Additions	383	-	-	154	537
Transfers	34	136	-	17	187
Disposals	(75)	(63)	-	(36)	(174)
Currency translation differences	(5)	82	127	198	402
At 31 December 2022	1,400	2,349	6,080	11,232	21,061
Accumulated amortisation					
1 January 2021	(561)	(479)	(1,584)	(2,349)	(4,973)
Amortisation charge for the year	(73)	(148)	(420)	(440)	(1,081)
Disposals	5	-	-	13	18
Currency translation differences	(34)	(55)	(177)	(158)	(424)
At 31 December 2021 and 1 January 2022	(663)	(682)	(2,181)	(2,934)	(6,460)
Amortisation charge for the year	(80)	(217)	(448)	(465)	(1,210)
Disposals	74	35	-	36	145
Currency translation differences	4	(25)	(22)	(35)	(78)
At 31 December 2022	(665)	(889)	(2,651)	(3,398)	(7,603)
Net book value					
At 31 December 2021	400	1,512	3,772	7,965	13,649
At 31 December 2022	735	1,460	3,429	7,834	13,458

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17 Other intangible assets (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
<i>Cost</i>			
At 1 January 2021	7	108	115
Additions	-	1	1
Disposals	-	(5)	(5)
At 31 December 2021 and 1 January 2022	7	104	111
Additions	23	-	23
Transfer	-	11	11
Disposals	-	(1)	(1)
At 31 December 2022	30	114	144
<i>Accumulated amortisation</i>			
At 1 January 2021	(6)	(85)	(91)
Amortisation charge for the year	-	(6)	(6)
Disposals	-	5	5
At 31 December 2021 and 1 January 2022	(6)	(86)	(92)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2022	(6)	(92)	(98)
<i>Net book value</i>			
At 31 December 2021	1	18	19
At 31 December 2022	24	22	46

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18 Interest-bearing liabilities

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Current					
Bank overdrafts and short-term borrowings from financial institutions		94,753	70,992	-	-
Bills of exchange		20,687	17,964	3,545	8,488
Short-term borrowings from related parties	5	1,994	1,456	11,170	-
Total		117,434	90,412	14,715	8,488
Current portion of long-term debts					
Long-term borrowings from financial institutions		46,727	27,465	1,165	683
Debentures		19,390	11,600	9,940	11,600
Lease liabilities		4,921	4,439	182	146
Total		71,038	43,504	11,287	12,429
Total current		188,472	133,916	26,002	20,917
Non-current					
Long-term borrowings from financial institutions		108,675	101,733	1,424	2,467
Debentures		192,825	190,190	113,075	111,140
Exchangeable bond		-	9,317	-	-
Lease liabilities		30,581	29,461	428	225
Total non-current		332,081	330,701	114,927	113,832
Grand total		520,553	464,617	140,929	134,749

Long-term borrowings from financial institutions

As at 31 December 2022, certain foreign subsidiaries had secured long-term borrowings totalling Baht 26,140 million (2021: Baht 25,783 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 17,746 million (2021: Baht 13,731 million), current and non-current assets mainly comprising of current investments, leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 6,743 million (2021: Baht 7,252 million), ordinary shares of a foreign subsidiary of 3,182 million (2021: Baht 1,102 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 3,658 million. Interest rate of such borrowing is LIBOR and SOFR plus specified rate, and will be matured within 2027.

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 76.24% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 481 million. Interest rate of such borrowing is LIBOR plus specified rate, and will be matured within 2025.

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 unsubordinated and unsecured debenture as follows:

(Unit: Million Baht)							
Debentures	interest rates	Term	Maturity	Consolidated		Separate	
	(% per annum)	(Year)	Year	financial statements		financial statements	
				2022	2021	2022	2021
Charoen Pokphand Foods Public Company Limited (the “Company”)							
1/2011 ⁽¹⁾	5.42	30	2041	4,000	4,000	4,000	4,000
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	5,000	9,000	5,000	9,000
1/2015	3.98	8	2023	5,500	5,500	5,500	5,500
2/2015	3.97 - 4.51	8 - 12	2023 - 2027	6,940	6,940	6,940	6,940
1/2016	3.11 - 3.73	8 - 15	2024 - 2031	6,000	6,000	6,000	6,000
1/2018	3.05 - 3.60	7 - 10	2025 - 2028	12,000	12,000	12,000	12,000
2/2018	3.20 - 4.66	4 - 12	2022 - 2030	10,700	18,300	10,700	18,300
1/2020	3.00 - 4.00	4 - 15	2024 - 2035	25,000	25,000	25,000	25,000
1/2021	1.75 - 3.80	2 - 12	2023 - 2033	30,000	30,000	30,000	30,000
1/2022	3.15 - 4.00	4 - 8	2026 - 2030	11,875	-	11,875	-
Total				123,015	122,740	123,015	122,740
CPF (Thailand) Public Company Limited (“CPFTH”)							
1/2016	3.47 - 4.15	7 - 12	2023 - 2028	8,550	8,550	-	-
2/2016	3.09 - 3.95	7 - 15	2023 - 2031	8,000	8,000	-	-
1/2018	3.24 - 4.43	6 - 15	2024 - 2033	10,500	10,500	-	-
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	20,000	-	-
1/2021	2.50 - 3.70	6 - 12	2027 - 2033	15,000	15,000	-	-
1/2022	3.80 - 5.00	7 - 15	2029 - 2037	10,150	-	-	-
Total				89,200	79,050	-	-
Grand Total				212,215	201,790	123,015	122,740
<i>Less current portion</i>				(19,390)	(11,600)	(9,940)	(11,600)
Net				192,825	190,190	113,075	111,140

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- ⁽¹⁾ The third series of the Company's debentures 1/2011 of Baht 4,000 million and debenture 2/2011 of Baht 6,000 million. The debenture holders have the redemption right at the end of year 15.

The debenture of the Company and CPFTH were registered with the Thai Bond Market Association. The debenture of the Company and CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 31 March 2022.

In this regard, the 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.

Exchangeable Bond

As at 31 December, the certain subsidiaries had exchangeable bonds as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
C.P. Foods Capital Limited ("CPFC")	-	9,317	-	-
Total	-	9,317	-	-

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. 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.

During the year 2022, the EB holders exercised the option to put the EBs to CPFC, following the terms and conditions of the EBs at 104.08% of their principal amount totalling U.S. Dollar 286 million or equivalent to Baht 9,843 million.

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19 Treasury shares

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Ordinary shares of the Company				
At 1 January	6,245	6,088	6,245	6,088
Addition	818	157	818	157
At 31 December	7,063	6,245	7,063	6,245
Ordinary shares of the Company held by subsidiaries				
At 1 January	4,087	2,909	-	-
Addition	-	1,178	-	-
At 31 December	4,087	4,087	-	-
Grand total	11,150	10,332	7,063	6,245

On 14 December 2022, 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 5,000 million. The number of ordinary shares to be repurchased is not exceeding 200 million shares (par value of Baht 1 per share); equal to 2.32% 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 19 December 2022 to 18 June 2023. In this regard, the Company will resale its share repurchase through the main board of the Stock Exchange of Thailand, which the last date to resale such repurchase shares shall not be later than 18 June 2026.

As at 31 December 2022, the Company had repurchased 238 million treasury shares amounting Baht 7,063 million (2021: 204 million treasury shares amounting Baht 6,245 million).

20 Accounts payable - trade and others

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Related parties	5	19,660	14,663	172	265
Other parties		31,304	29,709	1,217	883
Total		50,964	44,372	1,389	1,148

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21 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:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2022	2021	2022	2021
Present value of funded - defined benefit obligations	456	537	-	-
Fair value of plan assets	(366)	(347)	-	-
	90	190	-	-
Present value of unfunded - defined benefit obligations	9,060	9,366	2,561	2,704
Total	9,150	9,556	2,561	2,704

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>	
	financial statements		Separate	
	2022	2021	2022	2021
Defined benefit obligations at 1 January	9,903	10,881	2,704	2,977
Benefits paid by the plans	(638)	(790)	(183)	(124)
Current service costs and interest	788	904	192	233
Defined benefit plan actuarial gains	(451)	(1,166)	(152)	(382)
Others	(86)	74	-	-
Defined benefit obligations at 31 December	9,516	9,903	2,561	2,704
Fair value of plan assets at 1 January	347	328	-	-
Expected return on plan assets	2	1	-	-
Defined benefit plan actuarial gains	25	7	-	-
Contributions paid	27	33	-	-
Benefits paid by the plans	(14)	(59)	-	-
Currency translation differences	(21)	37	-	-
Fair value of plan assets at 31 December	366	347	-	-

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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	
	2022	2021	2022	2021
Current service costs	583	591	141	149
Interest costs	205	313	51	84
Expected return on plan assets	(2)	(1)	-	-
Total	786	903	192	233

Actuarial gains (losses) recognised in other comprehensive income attributable to equity holders for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Included in retained earnings:				
At 1 January	(405)	(1,402)	46	(260)
Recognised during the year	431	997	121	306
At 31 December	26	(405)	167	46

Principal actuarial assumptions at 31 December were as follows:

	Consolidated		<i>(Unit: %)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	1.25 - 28.00	0.65 - 13.00	2.64	1.90
Future salary increases	2.00 - 10.08	2.00 - 10.00	3.00 - 6.00	3.00 - 6.00

Assumptions regarding future mortality are based on mortality tables of each country.

As at 31 December 2022, the weighted-average duration of the defined benefit obligation was 11 years (2021: 11 years).

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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 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Defined benefit obligation as at 31 December 2022				
Discount rate (1% movement)	(710)	900	(193)	240
Future salary change (1% movement)	894	(713)	254	(210)
Defined benefit obligation as at 31 December 2021				
Discount rate (1% movement)	(815)	937	(225)	258
Future salary change (1% movement)	895	(796)	245	(219)

22 Surpluses and legal reserve

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.

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.

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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, buildings and improvement of animal feed, processed foods and ready meals products until such assets are disposed.

2) Hedging reserve

The hedging reserve mainly 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

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.

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.

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 2022, the legal reserve was Baht 929 million (2021: Baht 929 million).

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23 Subordinated perpetual debentures

On 2 March 2022, the Company exercised the early redemption right per condition as stipulated in the terms and conditions of 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") (debentures no. 1/2017) of Baht 15,000 million, as well as, on the same day the Company issued the Debentures of Baht 15,000 million (debentures no. 1/2022). 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 4.50%, 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 2022, the Company paid interest to the Debentures holders amount of Baht 712 million (2021: Baht 750 million). The interest expense net of tax and other expenses of Baht 687 million (2021: Baht 751 million) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2022.

As at 31 December 2022, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 224 million (2021: Baht 249 million).

As at 31 December 2022, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements.

24 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

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Details of the reportable segments' financial information of the Group as at 31 December and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2022	2021	2022	2021	2022	2021
Statements of income						
Revenue from sale of goods	530,522	435,311	83,675	77,393	614,197	512,704
Operating profit	33,912	17,536	914	1,443	34,826	18,979
Central income, net					2,121	9,532
Finance costs					(20,358)	(16,596)
Net foreign exchange gains					93	651
Share of profit of associates and joint ventures					3,745	4,167
Income tax expense					(6,003)	(2,654)
Profit for the year					14,424	14,079
Assets						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	276,388	232,863	47,761	42,677	324,149	275,540
Central assets, net					1,853	1,626
Other assets					600,985	568,078
Total					926,987	845,244

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

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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:

(Unit: Million Baht)

	Consolidated financial statements			
	Revenue from external customers		Non-current assets (excluded deferred tax assets and other non-current financial assets)	
	2022	2021	2022	2021
Thailand	191,205	160,050	303,439	262,705
Asia	303,393	261,894	280,584	264,798
Europe	82,603	60,515	51,795	44,895
America	35,458	28,894	49,644	51,423
Others	1,538	1,351	-	-
Total	614,197	512,704	685,462	623,821

Information about major customer

During the year 2022 and 2021, there were no single external customer that contributed 10% or more of the Group's total revenue.

Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Reportable segments					
	Livestock business		Aquaculture business		Total	
	2022	2021	2022	2021	2022	2021
Categories of main products						
Animal feed	100,348	85,499	45,773	41,573	146,121	127,072
Animal farm products	308,501	249,255	31,185	28,191	339,686	277,446
Processed foods and ready meals	121,673	100,557	6,717	7,629	128,390	108,186
Total	530,522	435,311	83,675	77,393	614,197	512,704

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Details of revenue disaggregated by categories of main products for the years ended 31 December were as follows: (Continued)

	<i>(Unit: Million Baht)</i>	
	Separate financial statements	
	Reportable segment Aquaculture business	
	2022	2021
Categories of main products		
Animal feed	14,659	13,756
Animal farm products	11,257	10,848
Processed foods and ready meals	1,972	2,450
Total	27,888	27,054

Contract Balances

As at 31 December 2022, the Group and the Company had contract liabilities of Baht 2,967 million and Baht 12 million, respectively (2021: Baht 1,576 million and Baht 55 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 and separate statement of financial position as at 31 December 2022.

Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

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Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December 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	
	2022	2021	2022	2021	2022	2021
Local sales	3,050	3,250	20,870	20,807	23,920	24,057
Export sales	-	36	3,968	2,961	3,968	2,997
Total revenue from sale of goods	3,050	3,286	24,838	23,768	27,888	27,054

25 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 1,828 million and Baht 229 million in the consolidated and separate statements of income for the year ended 31 December 2022, respectively (2021: Baht 1,893 million and Baht 254 million, respectively).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 59,355 million and Baht 5,541 million in the consolidated and separate statements of income for the year ended 31 December 2022, respectively (2021: Baht 56,416 million and Baht 5,818, respectively).

26 Expenses by nature

Expenses consisted of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cost of sales of goods	532,324	446,815	26,355	25,137
Distribution costs	22,922	20,236	933	944
Administrative expenses	32,079	30,644	2,563	2,522
Total	587,325	497,695	29,851	28,603

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Details of expenses by nature for the period ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Changes in finished goods, work in progress and biological assets	(13,407)	(9,634)	(261)	514
Raw materials and consumables used	414,126	338,619	17,538	15,120
Employee benefit expenses	61,183	58,309	5,770	6,072
Factory and office expenses	54,641	47,532	4,008	4,050
Depreciation and amortisation	24,819	22,439	1,323	1,572
Transportation expenses	18,486	15,559	727	626
Advertising, public relationship and sale promotion expenses	4,373	4,177	107	130
Vehicle and traveling expenses	2,721	1,970	155	115
Taxes, government and bank fees	2,344	1,927	50	47
Lease-related expenses	2,238	1,814	45	56
Others	15,801	14,983	389	301
Total cost of sales of goods, distribution costs and administrative expenses	587,325	497,695	29,851	28,603

27 Income tax

Income tax recognised in profit or loss

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current tax				
Current year	6,648	6,704	29	2
Under (over) provided in prior years	40	(275)	-	-
	6,688	6,429	29	2
Deferred tax				
Movements in temporary differences	(454)	(545)	126	(14)
Movements in tax losses	(231)	(3,230)	419	(1,473)
	(685)	(3,775)	545	(1,487)
Income tax expense (income)	6,003	2,654	574	(1,485)

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Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	40,728	(8,058)	32,670	222	(39)	183
Fair value changes on investments	2,943	(82)	2,861	206	(84)	122
Currency translation differences	(3,045)	144	(2,901)	15,576	(1)	15,575
Defined benefit plan actuarial gains	477	(96)	381	1,174	(239)	935
Cash flow hedges reserve	3,024	14	3,038	1,308	(55)	1,253
Gains on hedges investment	99	-	99	-	-	-
Share of other comprehensive income of associates and joint ventures	(2,640)	-	(2,640)	7,194	-	7,194
Total	41,586	(8,078)	33,508	25,680	(418)	25,262

(Unit: Million Baht)

	Separate financial statements					
	2022			2021		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	5,746	(1,149)	4,597	-	-	-
Fair value changes on investments	(47)	9	(38)	98	(19)	79
Defined benefit plan actuarial gains	152	(30)	122	383	(77)	306
Cash flow hedges reserve	73	(15)	58	48	(10)	38
Total	5,924	(1,185)	4,739	529	(106)	423

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Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
Applicable tax rates	0%	10%	20%	Others	Total
2022					
Accounting profit (loss) before income tax, total	(2,461)	(102)	26,725	(3,735)	20,427
Tax at the applicable tax rates		(10)	5,345	42	5,377
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	36	486	64	586
Under (over) provided in prior years	-	-	(3)	43	40
Total	-	26	5,828	149	6,003
2021					
Accounting profit before income tax, total	205	99	14,540	1,888	16,732
Tax at the applicable tax rates	-	10	2,908	528	3,446
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	219	(2,481)	1,745	(517)
Over provided in prior years	-	-	(5)	(270)	(275)
Total	-	229	422	2,003	2,654

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Reconciliation of effective tax rate (Continued)

	(Unit: Million Baht)			
	Separate financial statements			
Applicable tax rates	0%	20%	Others	Total
2022				
Accounting profit before income tax, total	138	15,309	14	15,461
Tax at the applicable tax rates	-	3,062	1	3,063
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(2,489)	-	(2,489)
Total	-	573	1	574
2021				
Accounting profit before income tax, total	141	428	11	580
Tax at the applicable tax rates	-	86	1	87
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,572)	-	(1,572)
Total	-	(1,486)	1	(1,485)

Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(Restated)		(Restated)
Deferred tax assets	4,582	4,730	-	1,238
Deferred tax liabilities	(16,338)	(8,903)	(388)	-
Net deferred tax assets (liabilities)	(11,756)	(4,173)	(388)	1,238

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Movements of deferred tax assets and liabilities during the year 2022 were as follows:

(Unit: Million Baht)

	Consolidated financial statements					At 31 December 2022
	At 1 January 2022	Charged/Credited to			Currency translation differences	
		Profit or loss	Other comprehensive income	Equity		
<i>Deferred tax assets (liabilities)</i>						
Biological assets	(1,336)	(136)	-	-	8	(1,464)
Investments	(405)	-	(82)	-	(1)	(488)
Derivatives	152	-	14	-	4	170
Tax losses	7,042	231	-	146	(108)	7,311
Other intangible assets	(2,816)	86	-	-	(111)	(2,841)
Investment properties	(908)	(309)	-	-	(57)	(1,274)
Property, plant and equipment	(8,359)	106	(8,058)	3	(41)	(16,349)
Right-of-use assets	(3,187)	(1,227)	-	-	98	(4,316)
Lease liabilities	3,852	1,131	-	-	(95)	4,888
Provisions for employee benefits	1,438	52	(96)	-	(16)	1,378
Others	354	751	144	(43)	23	1,229
Total	(4,173)	685	(8,078)	106	(296)	(11,756)

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Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	At 1 January 2021 Restated	Charged/Credited to Profit or loss	Other comprehensive income	Acquired in business combination	At 31 December 2021 Restated
<i>Deferred tax assets (liabilities)</i>					
Biological assets	(1,563)	395	-	(31)	(1,336)
Investments	(321)	-	(84)	-	(405)
Derivatives	204	(1)	(55)	-	152
Tax losses	3,550	3,230	-	137	7,042
Other intangible assets	(2,887)	295	-	-	(2,816)
Investment properties	(910)	2	-	-	(908)
Property, plant and equipment	(7,671)	78	(39)	(468)	(8,359)
Right-of-use assets	(2,844)	(273)	-	(5)	(3,187)
Lease liabilities	3,422	304	-	7	3,852
Provisions for employee benefits	1,606	55	(239)	18	1,438
Others	817	(310)	-	(170)	354
Total	(6,597)	3,775	(417)	(512)	(4,173)

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Movements of deferred tax assets and liabilities during the year 2022 were as follows:

(Unit: Million Baht)

	Separate financial statements				At 31 December 2022
	At 1 January 2022	Profit or loss	Charged/Credited to Other comprehensive income	Equity	
<i>Deferred tax assets (liabilities)</i>					
Investments	(93)	-	9	-	(84)
Derivatives	13	-	(15)	-	(2)
Investment properties	(252)	(122)	-	-	(374)
Property, plant and equipment	(1,291)	(4)	(1,149)	-	(2,444)
Right-of-use assets	(75)	(47)	-	-	(122)
Lease liabilities	74	48	-	-	122
Provisions for employee benefits	494	(2)	(30)	-	462
Tax losses	2,351	(419)	-	146	2,078
Others	17	1	-	(42)	(24)
Total	1,238	(545)	(1,185)	104	(388)

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As at 31 December 2022, the Group had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the consolidated statements of financial position amounting Baht 20,724 million (*2021: Baht 19,911 million*) because it is not probable that tax benefit will be utilised in the foreseeable future.

Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Separate financial statements			
	At	Charged/Credited to		At
	1 January		Other	31 December
	2021	Profit or	comprehensive	2021
	Restated	loss	income	Restated
<i>Deferred tax assets (liabilities)</i>				
Investments	(74)	-	(19)	(93)
Derivatives	23	-	(10)	13
Investment properties	(253)	1	-	(252)
Property, plant and equipment	(1,290)	(1)	-	(1,291)
Right-of-use assets	(85)	10	-	(75)
Lease liabilities	81	(7)	-	74
Provisions for employee benefits	552	19	(77)	494
Tax losses	878	1,473	-	2,351
Others	25	(8)	-	17
Total	(143)	1,487	(106)	1,238

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28 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:

	(Unit: Million Baht/Million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the year attributable to ordinary shareholders of the Company	13,969	13,028	14,887	2,066
<i>Less: cumulative interest expense for the year net of income tax on subordinated perpetual debentures</i>	<u>(556)</u>	<u>(600)</u>	<u>(556)</u>	<u>(600)</u>
Profit used in calculation of earnings per share (basic)	13,413	12,428	14,331	1,466
Interest expense on convertible bonds, net of tax	<u>-</u>	<u>251</u>	<u>-</u>	<u>-</u>
Profit used in calculation of earnings per share (diluted)	13,413	12,679	14,331	1,466
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	(471)	(443)	-	-
Effect of own shares held	<u>(204)</u>	<u>(198)</u>	<u>(204)</u>	<u>(198)</u>
Number of ordinary shares outstanding (basic) at the end of period	7,936	7,970	8,407	8,413
Effect of conversion of convertible bonds	<u>-</u>	<u>234</u>	<u>-</u>	<u>234</u>
Number of ordinary shares outstanding (diluted) at the end of period	7,936	8,204	8,407	8,647
Basic earnings per share (in Baht)	1.69	1.56	1.70	0.17
Diluted earnings per share (in Baht)	1.69	1.55	1.70	0.17

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29 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
2022				
26 April 2022	0.25	8,406,962,585	2,102	Profit after deduction of taxable losses
15 August 2022	0.40	8,406,962,585	3,363	Profit after deduction of taxable losses
Total			5,465	
2021				
30 April 2021	0.60	8,413,568,585	5,048	Profit after deduction of taxable losses
13 August 2021	0.40	8,413,568,585	3,366	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			8,414	

30 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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(Unit: Million Baht)

Consolidated financial statements								
	Note	Carrying amount			Fair value			
		Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3
At 31 December 2022								
Financial assets								
Investment in equity securities								
-Marketable equity securities		-	3,585	-	3,585	3,585	-	-
-Non-marketable equity securities		-	13,005	-	13,005	-	-	13,005
Other financial assets								
-Derivative assets		4,692	-	-	4,692	-	4,692	-
Total financial assets		4,692	16,590	-	21,282			
Financial liabilities								
Long-term borrowings								
-Debentures	18	-	-	212,215	212,215	-	214,644	-
-Long-term borrowings from financial institution	18	-	-	155,402	155,402	-	156,724	-
Other financial liabilities								
-Derivative liabilities		152	-	-	152	-	152	-
Total financial liabilities		152	-	367,617	367,769			

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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 2021									
Financial assets									
Investment in equity securities									
-Marketable equity securities		-	3,517	-	3,517	3,517	-	-	3,517
-Non-marketable equity securities		-	9,517	-	9,517	-	-	9,517	9,517
Other financial assets									
-Derivative assets		1,146	-	-	1,146	-	1,146	-	1,146
Total financial assets		1,146	13,034	-	14,180				
Financial liabilities									
Long-term borrowings									
-Debentures	18	-	-	201,790	201,790	-	210,237	-	210,237
-Convertible bonds	18	-	-	9,317	9,317	-	9,485	-	9,485
-Long-term borrowings from financial institution	18	-	-	129,198	129,198	-	129,095	-	129,095
Other financial liabilities									
-Derivative liabilities		399	-	-	399	-	399	-	399
Total financial liabilities		399	-	340,305	340,704				

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(Unit: Million Baht)

		Separate 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 2022									
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	919	-	919	-	-	919	919
Other financial assets									
-Derivative assets		323	-	-	323	-	323	-	323
Total financial assets		323	919	-	1,242				
Financial liabilities									
Long-term borrowings									
-Debentures	18	-	-	123,015	123,015	-	124,543	-	124,543
-Long-term borrowings from financial institution	18	-	-	2,589	2,589	-	2,600	-	2,600
Other financial liabilities									
-Derivative liabilities		1	-	-	1	-	1	-	1
Total financial liabilities		1	-	125,604	125,605				

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(Unit: Million Baht)

		Separate 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 2021									
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	761	-	761	-	-	761	761
Other financial assets									
-Derivative assets		144	-	-	144	-	144	-	144
Total financial assets		144	761	-	905				
Financial liabilities									
Long-term borrowings									
-Debentures	18	-	-	122,740	122,740	-	128,553	-	128,553
-Long-term borrowings from financial institution	18	-	-	3,151	3,151	-	3,200	-	3,200
Other financial liabilities									
-Derivative liabilities		64	-	-	64	-	64	-	64
Total financial liabilities		64	-	125,891	125,955				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

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.
Swap agreements	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.
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.

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-marketability of the equity securities.	Adjusted multiple (1.0 - 1.6 for 2022 and 0.9 - 1.9 for 2021).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- <i>Discounted cash flows</i>	Discount rate (12% for 2022 and 11% for 2021)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

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Reconciliation of Level 3 fair values

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<i>Investment in non-marketable equity securities</i>				
At 1 January	9,517	8,869	761	663
Acquisition/additional investments	414	494	205	-
Fair value adjustment	2,777	(603)	(47)	98
Currency translation differences	297	757	-	-
At 31 December	13,005	9,517	919	761

(b) *Movement of marketable equity securities*

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<i>Marketable equity securities</i>				
<i>Current financial assets</i>				
Equity securities measured at FVOCI				
At 1 January	3,517	2,552	-	-
Fair value adjustment	99	809	-	-
Currency translation differences	(31)	156	-	-
At 31 December	3,585	3,517	-	-

(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.

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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 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. Details of concentration of revenue are included in note 24.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Expected credit losses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Within credit terms	34,310	28,732	2,207	1,774
Overdue 1 - 60 days	6,259	6,143	912	403
Overdue 60 - 120 days	1,178	1,485	19	432
More than 120 days	2,554	3,213	28	835
Total	44,301	39,573	3,166	3,444
Less allowance for expected credit losses	(1,080)	(1,102)	(3)	(19)
Net	43,221	38,471	3,163	3,425

(Unit: Million Baht)

(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.

The outstanding balance of loans as at 31 December with the periods in which the loans mature were as follows:

	Consolidated financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2021				
Long-term loans to related parties	12	37	-	49
Total	12	37	-	49

(Unit: Million Baht)

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(Unit: Million Baht)

	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2022				
Short-term loans to related parties	8,020	-	-	8,020
Long-term loans to related parties	540	3,218	-	3,758
Total	8,560	3,218	-	11,778
2021				
Short-term loans to related parties	6,876	-	-	6,876
Long-term loans to related parties	-	570	-	570
Total	6,876	570	-	7,446

The outstanding balance of interest-bearing liabilities as at 31 December with the periods in which those liabilities mature were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2022				
Bank overdrafts and short-term borrowings from financial institutions	94,753	-	-	94,753
Bills of exchange	20,687	-	-	20,687
Short-term borrowings from related parties	1,994	-	-	1,994
Long-term borrowings from financial institutions	46,727	102,678	5,997	155,402
Debentures	19,390	86,678	106,147	212,215
Lease liabilities	4,921	14,612	15,969	35,502
Total	188,472	203,968	128,113	520,553
Other financial liabilities	152	-	-	152
Total	152	-	-	152
2021				
Bank overdrafts and short-term borrowings from financial institutions	70,992	-	-	70,992
Bills of exchange	17,964	-	-	17,964
Short-term borrowings from related parties	1,456	-	-	1,456
Long-term borrowings from financial institutions	27,465	94,942	6,791	129,198
Debentures	11,600	91,259	108,248	211,107
Lease liabilities	4,439	12,652	16,809	33,900
Total	133,916	198,853	131,848	464,617
Other financial liabilities	169	230	-	399
Total	169	230	-	399

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The outstanding balance of interest-bearing liabilities as at 31 December with the periods in which those liabilities mature were as follows: (Continued)

	(Unit: Million Baht)			
	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2022				
Bills of exchange	3,545	-	-	3,545
Short-term borrowings from related parties	11,170	-	-	11,170
Long-term borrowings from financial institutions	1,165	1,424	-	2,589
Debentures	9,940	55,154	57,921	123,015
Lease liabilities	182	426	2	610
Total	26,002	57,004	57,923	140,929
Other financial liabilities	1	-	-	1
Total	1	-	-	1
2021				
Bills of exchange	8,488	-	-	8,488
Long-term borrowings from financial institutions	683	2,467	-	3,150
Debentures	11,600	48,297	62,843	122,740
Lease liabilities	146	225	-	371
Total	20,917	50,989	62,843	134,749
Other financial liabilities	64	-	-	64
Total	64	-	-	64

Effective interest rate of interest-bearing liabilities excluded borrowings from related parties and debentures were as follows:

	(Unit: %)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Bank overdrafts, bills of exchange and borrowings from financial institutions	4.89	3.31	2.45	1.62
Lease liabilities	6.55	6.57	2.78	3.03

(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.

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(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.

At 31 December the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
	Foreign currency	2022	2021	2022	2021
Accounts receivable - trade and others					
Foreign currencies	Won	-	-	-	2
	Renminbi	1,358	1,340	1,358	1,340
	U.S. Dollar	1,387	1,516	217	144
	Euro	552	368	-	-
	Pound Sterling	23	-	-	3
Forward exchange contracts	Won	-	-	-	2
	Renminbi	1,358	1,340	1,358	1,340
	U.S. Dollar	594	517	217	144
	Euro	-	3	-	-
	Pound Sterling	-	-	-	3
Interest-bearing liabilities					
Foreign currencies	U.S. Dollar	35,313	29,501	2,588	3,185
	Euro	38	164	-	-
Forwards exchange contracts and cross currency swap agreements	U.S. Dollar	30,866	27,577	2,588	3,185
	Euro	-	72	-	-
Accounts payable - trade and others					
Foreign currencies	U.S. Dollar	3,722	2,937	7	6
	Euro	368	602	11	9
	Renminbi	3	-	3	-
Forward exchange contracts	U.S. Dollar	476	271	2	1
	Euro	41	91	11	-
	Renminbi	3	-	3	-
Forecast sales					
Forward exchange contracts	Won	-	70	-	-
	U.S. Dollar	4,701	8,005	546	754
	Pound Sterling	304	392	-	-
	Euro	328	902	-	-
	Renminbi	135	134	135	133

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		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
	Foreign currency	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Forecast purchases					
Forward exchange contracts	U.S. Dollar	1,445	6,017	269	99
	Euro	570	871	22	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of Baht against U.S. dollar at reporting date 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.

		(Unit: Million Baht)			
		Consolidated financial statements			
		<u>Profit or loss</u>		<u>Equity, net of tax</u>	
	Movement (%)	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
At 31 December 2022					
U.S. Dollar	1	69	(69)	174	(174)
At 31 December 2021					
U.S. Dollar	1	70	(70)	(98)	98

		(Unit: Million Baht)			
		Separate financial statements			
		<u>Profit or loss</u>		<u>Equity, net of tax</u>	
	Movement (%)	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
At 31 December 2022					
U.S. Dollar	1	(74)	74	(4)	4
At 31 December 2021					
U.S. Dollar	1	-	-	(24)	24

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(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 swap agreements

As at 31 December 2022, the Group and the Company had cross currency 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 swap agreements with certain financial institutions for long-term borrowing totalling U.S. Dollar 75 million (2021: 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 swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 67 million (2021: U.S. Dollar 67 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.

Interest rate swap agreements

As at 31 December 2022, the Group had interest rate swap agreements with the financial institutions to manage exposure of fluctuations in interest rates as follows:

A subsidiary had several interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 1,637 million (2021: U.S. Dollar 1,372 million). The subsidiary has commitments to make payments for the fixed interest rate in U.S. Dollar and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR and SOFR.

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(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. 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.

As at 31 December, 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
2022		
Financial assets	117	2
Financial liabilities	2,748	3
Total	2,865	5
2021		
Financial assets	(16)	(3)
Financial liabilities	(211)	(51)
Total	(227)	(54)

31 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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32 Commitments with non-related parties

As at 31 December the Group had commitments with non-related parties as follows:

32.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2022	2021	2022	2021
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,664	3,541	-	-
Machinery, equipment and others	5,511	5,293	11	170
Total	9,175	8,834	11	170

32.2 Other commitments

- (a) 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 2025. 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 2022 totalling Baht 15 million (2021: Baht 15 million).
- (b) 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 11 million and Baht 193 million, respectively (2021: Baht 11 million and Baht 874 million, respectively). The letters of guarantee are principally covering the guarantee for sale of goods, taxes and duties.

32.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,994 million (2021: Baht 2,658 million).

32.4 Contingent liabilities

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 116 million (2021: Baht 253 million).

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33 Event after the reporting period

- 33.1 On 31 January 2023, CPF (Thailand) Public Company Limited (“CPFTH”) issued unsubordinated and unsecured debentures No. 1/2023 in registered name and with debenture holder representative totalling Baht 10,000 million, a term of 5-10 years and bearing interest at the fixed rate of 3.20% - 4.00% per annum.

The debentures had credit rating of “A+” rated by TRIS Rating Co., Ltd. on 31 March 2022 and CPFTH registered the debentures with the Thai Bond Market Association on 31 January 2023.

Attachment 1-6 as shown on the Website

www.cpfworldwide.com/en/investors/report-56-1-2022/attachment

Attachment 1 Details of Directors, Executives, Company Secretary and Bookkeeper

Attachment 2 Directors of Subsidiaries

Attachment 3 Details of Head of Internal Audit and Head of Compliance

Attachment 4 Report of Sub-Committees

Attachment 5 Corporate Governance and Sustainable Development Policy and CPF Code of Conduct

Attachment 6 Charters of Sub-Committees



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