Charoen Pokphand Foods Public Company Limited

Annual Report 2021

(56-1 One Report)



PUT OUR HEART INTO FOOD

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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).

Message from Executives



Chareon Pokphand Foods Public Company Limited and subsidiary operates fully integrated agro-industrial and food businesses, harnessing its investments and partnerships in 17 countries around the world, and beaconed by the vision of being “the Kitchen of the World”. The Company aims to achieve food security through its continual innovations that deliver top quality products and services as well as new product development that elevates sublime satisfaction of 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. Our operation firmly supports the United Nations Sustainable Development Goals (UNSDGs); and ensures compliance with good corporate governance.

The Company prioritizes research and development to further advance in the innovation of nutrition and value addition to deliver products that promote health and wellness. Furthermore, the Company ensures that its distribution channels align with consumer behavior while the resources efficiency is augmented by automation. Digitization is also adopted to the operations to minimize business risks while maximizing the effectiveness. Our people are cared for to ensure their safety and quality of life and synchronously, the Company nurtures mutual growth of farmers, suppliers, and the society at large.

The year 2021 witnessed persisting challenges of businesses around the world due to the prolonged impact of the Covid-19 pandemic which dampened the market’s buying power, drove further changes of consumer behavior, and demanded businesses to accelerate innovation and adoption of technology.

Amidst the turbulence, food security is one of the key engines for the world to overcome this crisis. With such acknowledgement, the Company deployed advanced measures to maximize safety of production and operating procedure while protecting our employees and family through provision of vaccines. In addition, coordination was made with the public sector of each country to provide overall care for the public as well.

The Company has extended its care to the society through its contribution to strengthen food security in Thailand as well as other countries. From 2020 to the present, the "CPF's Food from the Heart against Covid-19 Project" and "CP Merging Hearts to Fight against Covid-19 Project" initiatives have been ongoing where the Company has provided food and beverage to medical staff and those in need of assistance. Fresh food and condiments have been supplied to hospitals, field hospitals, vulnerable groups, vaccination centers, Covid-19 examination centers, community isolation centers, and more than 500 bureaus nationwide. Similar activities have been carried out in countries where the Company’s footprint are located namely Vietnam,



Cambodia, Lao, the Philippines, Turkey, the United States, and Russia. In 2021, the Company recorded total sales revenue of 512,704 million baht, asset value of 842,681 million baht, tax payment of 8,282 million baht. The Company's performance was impacted by Covid-19 pandemic, which resulted in lower consumption and declined prices of main products in several areas when compared with the year 2020. On the other hand, its operating costs increased from various activities to maximize the hygiene standards at workplaces and to ensure the safety of our employees and products at all facilities. The year 2021 also saw the increase of the cost of raw materials and logistics. Due to the abovementioned factors, the Company ended the year 2021 with the net profit of 13,028 million baht, a decrease when compared with the previous year.

The Board of Directors resolved to propose to the 2021 Annual General Meeting of Shareholders for the approval of 2021 dividend payment at the rate of 0.65 baht per share, comprising the interim dividend of 0.40 baht per share paid on 10 September 2021, and the annual dividend to be paid at 0.25 baht per share.

In 2021, the Company made 2 significant investments as follows.

1.) Entire business transfer of C.P. Retail Holding Company Limited, which held investment in retail business of Lotus's, and whose shares of which were held by the Company at 20%, to Siam Makro Public Company Limited ("Makro"), whereby the Company received settlement in the form of Makro's newly issued ordinary shares. As a result, the Company directly held shares of Makro at 10.21%. Subsequently, the Company participated in public offering of Makro's ordinary shares, which resulted in remaining Marko's share held by the Company at 8.85% upon completion of such placement.

2.) Delisting of C.P. Pokphand Co., Ltd. ("CPP"), a subsidiary whose common shares was held by the Company at 49.74%, from the Hong Kong Stock Exchange. Consequently, the Company directly holds common shares of CPP at 75.00% as of 18 January 2022.

On behalf of the Board of Directors, executives, and employees of CPF Group, we would like to extend our gratitude to all stakeholders for the continuous trust and support. The Company shall continue to drive business growth following our vision of being "the Kitchen of the World" in order to strengthen the 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

Mission

Kitchen of the World

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

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.

Corporate Strategic Direction

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)
- CPF-way
- Integrity, Honesty and Reciprocity
- Speed and Quality
- Simplification
- Adapt to Change
- Innovativeness

Business Structure

As of December 31, 2021

37%* Thailand Operations

31%* Domestic

6%* Export

63%* International Operations

22%* Vietnam[2]

6%* China[2]

35%* Other[3]

- United Kingdom
- Republic of China (Taiwan)
- United States
- India
- Malaysia
- Philippines
- Russia
- Cambodia
- Turkey
- China (CTEI)
- Laos
- Poland
- Belgium
- Sri Lanka

* % of sales revenue 2021

Associate and JV[1]

Andhra Pradesh Broodstock Multiplicationcentre	(74.99%)
CP-Meji	(59.99%)
HyLife Investment	(50.10%)
Westbridge Foods Holding	(50.00%)
Ross Breeders Siam	(49.99%)
Arbor Acres Thailand	(49.98%)
SuperDrob	(49.45%)
Camanor Produtos Marinhos	(40.00%)
A.P.P Enterprise	(39.60%)
CP All	(33.99%)
Well Well Invest	(33.33%)
Siam Rivea	(29.99%)
Rosleko	(26.67%)
Nava 84	(25.00%)
Lotus Distribution International Limited	(20.50%)
Feng Sheng Livestock	(19.50%)
BHJ Kalino Food	(15.08%)
Siam Makro	(8.85%)
Associates and JV of CPP and CTEI[4]	

Note:
[1] % of shareholding represent both direct and indirect holding
[2] Operate under C.P. Pokphand Co., Ltd. (CPP)
[3] List of operation area
[4] Group of associate and join venture of CPP and CTEI. Details can be found in Note to financial statements for year 2021.

CPF Worldwide

Operates and invested in 17 countries

cater to

>4,000
million people

Export to more than

40
countries

5
continents



North America

United States

- Swine farming and processing
- Shrimp farming
- Ready-to-eat food business

Canada

- Integrated swine business

South America

Brazil

- Shrimp farming and processing business

Asia

Thailand

- Integrated livestock and aquaculture business

Vietnam

- Integrated livestock and aquaculture business

China

- Integrated livestock and aquaculture business

Republic of China (Taiwan)

- Integrated livestock business

India

- Integrated broiler business
- Aquaculture feed and farming business

Note:
Locations with CPF subsidiaries, associates and join venture companies' production operations.

Europe

United Kingdom
- Food business

Russia
- Livestock feed
- Integrated broiler business
- Swine farming

Turkey
- Integrated broiler business

Belgium
- Ready-to-eat food business

Poland
- Broiler farming
- Food business



Sri Lanka
- Ready-to-eat food business

Cambodia
- Integrated livestock business

Philippines
- Integrated livestock business
- Aquaculture feed and farming business

Malaysia
- Integrated livestock and aquaculture business

Laos
- Integrated livestock business

Business at a Glance

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

Feed Business

Production and distribution of animal feed

Farm and Processing Business

Animal breeding, farming and primary meat processing

Food Business

Production of semi-cooked and cooked products as well as ready-to-eat meals, and food distribution channels, including restaurants.







Animal Feed Production

Developed the feed production innovation along with the environmental care while minimizing any impact on the community. The Company provides support to local agricultural production and puts in place the traceability system for raw materials to enhance transparency and to build trust among stakeholders.

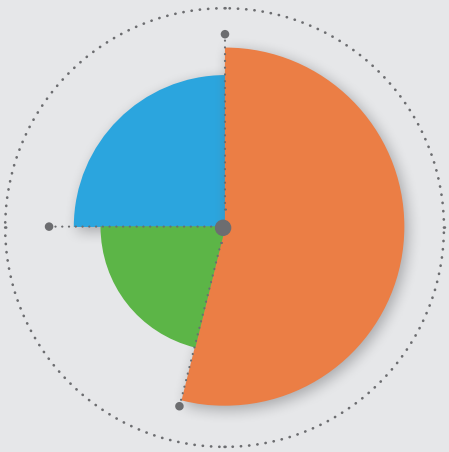
Farming and Processing

Advanced and eco-friendly technology are adopted throughout the farming process while the animal welfare is maintained in accordance with the global standards to deliver safe and quality products in line with the internationally recognized requirements and regulations.

Food Production

Valued addition is constantly enhanced for processed food products and ready-to-eat food with top quality and good nutrition for healthiness at affordable price. Modern innovation is applied to ensure eco-friendliness as well as full traceability throughout the production process.

Sales Revenue Breakdown by Products

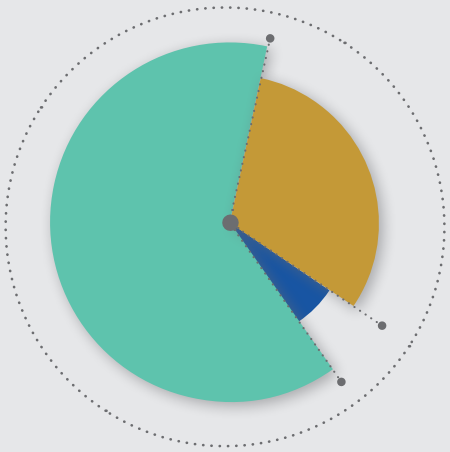


25% Feed business

54% Farm and processing business

21% Food business

Sales Revenue Breakdown by Operations



63% International

31% Thailand (Domestic)

6% Thailand (Export)

Business Operations

Thailand Operations

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

International Operations

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



Charoen Pokphand Foods Public Company Limited

Part 1

Business Operation and Performance

1. Structure and Business Operation

1.1 Business Overview

1.1.1 Vision, goal and business strategies

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

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



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

1.1.2 History and key milestones

History

CPF was registered as a limited company on January 17, 1978 under the name "Charoen Pokphand Feedmill Company Limited", with initial registered capital of 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, 2021, CPF had paid-up capital of THB 8,611,242,385, comprising of 8,611,242,385 shares, and its market capitalization was THB 219,587 million.

Key milestones in 2021

- The acquisition of agricultural plant farming company

  In March 2021, CPF (Thailand) Plc. ("CPFTH"), a 99.99% owned subsidiary of CPF, acquired total shares of Suansomboon Co., Ltd., an agricultural plant farming. Upon the completion of the transaction, it becomes an indirect subsidiary of CPF.

- The acquisition of additional ordinary shares of C.P. Aquaculture (India) Private Limited ("CPA")

  In April 2021 and June 2021, CPF and its subsidiary acquired additional 30.50% and 12.50% ordinary shares of C.P. Aquaculture (India) Private Limited ("CPA"), respectively. Upon the completion of the transaction, shareholding stake in CPA by the Company increased from 31.70% to 75.00% shares and becomes a subsidiary of CPF. CPA is incorporated in India and principally engages in production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing.

- Investment in import and distribution of food products business in South Korea

  In August 2021, C.P. Merchandising Co., Ltd. ("CPM"), a 99.99% indirect subsidiary of CPF, acquired the entire shares of Consumer Package Commerce Co., Ltd., a company engaging in import and distribution of food products business in South Korea. Upon the completion of the transaction, it becomes an indirect subsidiary of CPF.

- Investment in warehouse management and logistics business

  In December 2021, CPF acquired 19.00% shares in ALL NOW Management Co., Ltd. ("AM"), a company operating in warehouse management and logistics business with 99.997% investment in a logistic company namely ALL NOW Logistics Co., Ltd..

- The entire business transfer of C.P. Retail Holding Co., Ltd. ("CPRH"); tender offer for all securities in Siam Makro Plc. ("MAKRO") made jointly with Charoen Pokphand Holding Co., Ltd. ("CPH"); and offering of shares in MAKRO to the Public

  (1) The entire business transfer of CPRH, an affiliate in which CPF indirectly holds 20.00% shares through CPM, to MAKRO ("EBT") with the total value of THB 43,589,814,450 (calculated on the basis of the 20.00% shareholding of CPM in CPRH). In this regards, MAKRO issued 5,010,323,500 new shares with a par value of THB 0.50 each at the offering price of THB 43.50 per share to CPRH as consideration for the EBT. The EBT of CPRH had been completed on October 25, 2021, and CPRH registered its dissolution and initiate the liquidation process pursuant to which CPRH transfered all assets of CPRH, including shares in MAKRO, to CPM as one of the CPRH shareholders in proportion to its respective shareholding of 1,002,064,700 shares or 10.21%.

  (2) Tender offer for all securities in MAKRO by CPM jointly with CPH as a result of the EBT under the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated May 13, 2011, as amended, given that the number of shares that CPM will hold in MAKRO when combined with the person under Section 258 of the SEC Act will be a total of 76.19% of the total voting rights in MAKRO. The tender offer took place durting October 27, 2021 to November 30, 2021. Due to the tender offer result, 4,117 MAKRO shares were tendered and CPM purchased ordinary shares in MAKRO in the proportion of one-third of the shares accepted in such mandatory tender offer for all securities in MAKRO or 1,372 shares.

(3) The offering of shares in MAKRO to the public (Public Offering) by CPM, following the completion of Event No. 1 and Event No. 2. Makro issued and offered new ordinary shares to the public (Public Offering or "PO") during December 4 to December 9, 2021 which CPM also offered MAKRO shares received from the return of investment to the CPRH Shareholders as explained in Event No. 1 to the public (Public Offering) in the amount of 66 million shares. As a result, shareholding stake of CPM in MAKRO decreased from 10.21% of the total issued and outstanding ordinary shares in MAKRO after the completion of the EBT to 8.85% of the total issued and outstanding ordinary shares in MAKRO after the completion of the PO.

- Investment in swine business in Russia

  In December 2021, LLC RBPI Voronezh, a newly established indirect subsidiary of CPF, acquired swine business in Russia namely LLC Agro-Sojuz TS and LLC Mjaso-Sojuz T which hold entire investment in APK-Don Group engaging in cropping, animal feed, swine breeding and fattening farm in Belgorod and Voronezh regions of Russia. Upon the completion of the transaction, such companies become indirect subsidiaries of CPF.

- Investment in seafood business and plant-based business in Poland

  In September 2021, CPF Poland S.A., a direct subsidiary of CPF, acquired acquired seafood business in Poland namely Fish Food sp. z o.o. and MaxFish sp. z o.o. engaging in production of seafood products, trading and distribution of seafood products. Upon the completion of the transaction, such companies become indirect subsidiaries of CPF.

  In October 2021, PLANT-TEC Europe Sp. z o.o., a newly established indirect subsidiary of CPF, acquired newly issued shares in Well Well Invest S.A. ("Well Well"), plant-based business in Poland, equivalent to 50% of enlarged share capital of Well Well. Upon the completion of the transaction, Well Well group becomes joint venture of CPF.

- Investment in seafood business and plant-based business in Poland

  In September 2021, CPF Poland S.A., a direct subsidiary of CPF, acquired acquired seafood business in Poland namely Fish Food sp. z o.o. and MaxFish sp. z o.o. engaging in production of seafood products, trading and distribution of seafood products. Upon the completion of the transaction, such companies become indirect subsidiaries of CPF.

- The privatisation of C. P. Pokphand Co. , Ltd. ("CPP") and the withdrawal of the listing of CPP Shares from the Stock Exchange of Hong Kong Limited

  In September 2021, the Board of Directors of CPF has resolved, amongst others, to have CPF Investment Limited ("CPFI"), privatise C.P. Pokphand Co., Ltd. ("CPP") by way of a scheme of arrangement under section 99 of the Companies Act of Bermuda (the "Scheme") and withdraw the listing of its ordinary shares from the Stock Exchange of Hong Kong Limited ("HKEX"). The maximum cash consideration payable under the Scheme is approximately HKD 6,991.27 million or approximately THB 30,716 millionthe Court Meeting and the In this regards, CPP arranged .[1/] Special General Meeting on December 15, 2021 to consider the Scheme and all resolutions were approved as proposed. Consequently, on January 18, 2022, the withdrawal of the listing of CPP shares on HKEX becomes effective and shareholding of CPFI in CPP increases from 49.74% to 75.00%.

- Share repurchase program for financial management purpose

  In September 2021, CPF Board of Directors passed the resolution to approve the share repurchase program for financial management purpose in the amount not exceeding THB 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of THB 1 per share); equal to 4.65% of total issued shares of CPF. In this regard, CPF repurchased its shares through the main board of the Stock Exchange of Thailand during October 15, 2021 to April 14, 2022.

[1/] *The exchange rate is THB 4.3935/HK$ (as of September 30, 2021 which published on Bank of Thailand website)*

1.1.3 Use of proceeds from debentures offering

Due to the proceeds received from debentures offering and issuance by CPF until December 31, 2021. Currently, CPF already used all proceeds according to the purpose of each debenture.

1.1.4 Commitments stipulated in the debenture registration statements

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

1.2 Nature of Business Operations

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

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

Holistic social care includes caring and treating employees and workers in accordance with human rights principles that are in alignment with basic principles of the Universal Declaration of Human Rights, treating employees equally according to their rights based on values and capabilities, developing human resource in accordance with individuals appropriate potential and expertise, along with enhancing employees qualities of life as well as living wages that are suitable with local economic and social conditions. The Company has work management to support suppliers throughout the production chain, small businesses and farmers through networking and knowledge sharing in order to grow steadily together. In addition, the Company has also improved partner farmers knowledge and taken care of the community around the establishment, along with participating and engaging in the management of human rights issues in the supply chain, whether child labor, forced labor or migrant labor, including environmental issues that entrepreneurs are involved in.

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

In 1999, CPF declared its vision of becoming **"Kitchen of the World"** with the mission to offer **quality agricultural products, farm-processing industry and food products** to consumers worldwide. The Company operates businesses and invests in the countries with growth potentials in modern farm-processing and consumptions of meat and food. The investment in each country is depended on appropriateness, feasibility and business opportunity. Presently, the Company has **operated the businesses including investment in 17 countries** including Thailand, China including Republic of China (Taiwan), Vietnam, the UK, the United States of America, Russia, Cambodia, India, Philippines, Turkey, Malaysia, Laos, Sri Lanka, Belgium, Poland (sorted by size of income) and investment in Brazil and Canada. The Company has also exported goods to over than 40 countries worldwide, covering 5 countries throughout the globe.

1.2.1 Revenue structure

	2019		2020*		2021	
	THB Million	%	THB Million	%	THB Million	%
1. Thailand Operations	175,966	33%	180,570	31%	189,191	37%
1.1 Domestic	143,910	27%	151,429	26%	160,050	31%
Feed	*38,427*	*7%*	*38,563*	*7%*	*43,441*	*8%*
Farm and processing	*81,371*	*15%*	*89,952*	*15%*	*91,893*	*18%*
Food	*24,112*	*5%*	*22,914*	*4%*	*24,716*	*5%*
1.2 Export	32,056	6%	29,141	5%	29,141	6%
Feed	*75*	*0%*	*58*	*0%*	*104*	*0%*
Farm and processing	*8,038*	*2%*	*8,506*	*1%*	*6,951*	*1%*
Food	*23,943*	*4%*	*20,577*	*3%*	*22,086*	*4%*
2. International Operations	356,607	67%	409,143	69%	323,513	63%
2.1 China	129,457	24%	157,688	27%	30,456	6%
Feed	*98,189*	*18%*	*117,430*	*20%*	-	-
Farm and processing	*22,139*	*4%*	*30,072*	*5%*	*20,050*	*4%*
Food	*9,129*	*2%*	*10,186*	*2%*	*10,406*	*2%*
2.2 Vietnam	85,390	16%	107,793	18%	111,111	22%
Feed	*27,552*	*5%*	*28,043*	*5%*	*33,066*	*6%*
Farm and processing	*54,759*	*10%*	*75,181*	*13%*	*72,209*	*14%*
Food	*3,079*	*1%*	*4,569*	*1%*	*5,836*	*1%*
2.3 Other countries	141,760	27%	143,662	24%	181,946	35%
Feed	*35,624*	*7%*	*34,097*	*6%*	*50,461*	*10%*
Farm and processing	*69,634*	*13%*	*70,980*	*12%*	*86,343*	*17%*
Food	*36,502*	*7%*	*38,585*	*7%*	*45,142*	*9%*
Total Revenue from Sale of Goods	532,573	100%	589,713	100%	512,704	100%
Other Income	12,307		18,072		16,256	
Total Income	544,880		607,785		528,960	
Share of Profits of Associates and Joint Ventures	8,893		9,254		4,167	
Total Income and Share of Profits of Associates and Joint Ventures	553,773		617,039		533,127	

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

1.2.2 Nature of products

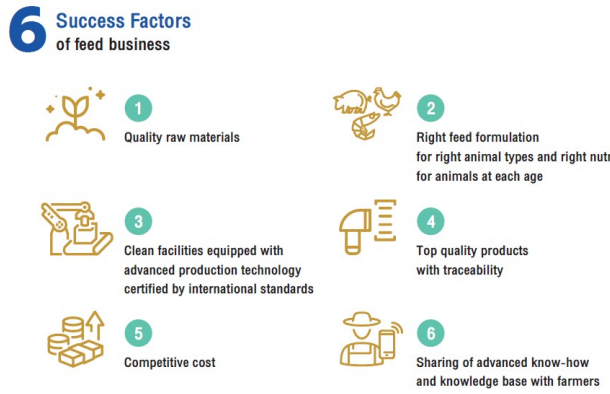
The Company operates vertically integrated agro-industrial and food businesses to delivery of products to consumers, which is a business model enabling efficient control throughout the production chain and continuously produces innovations. To manage business effectively, the Company categorizes types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

(1) Products and business innovation

(1.1) Feed business

The Company has operated feed business in 10 countries, which include Thailand, Vietnam, Republic of China (Taiwan), Russia, India, Cambodia, Turkey, the Philippines, Malaysia, Laos and joint ventures in Canada.

Animal feed is a starting point in the production chain for producing quality meat and food. The Company has continuously developed innovative animal feed production processes, enabling the Company to produce quality feeds according to international standards while staying cost competitive and distributing the products at appropriate prices. There are **6 success factors** of feed business as: 1) selecting quality raw materials; 2) selecting feed formulas that are suitable for types of animals and their nutritional requirements in each age period; 3) producing feeds in clean production facilities certified by international standards; 4) producing feed products that meet product standards and can be traceable; 5) having cost competitive and distributing feeds to farmers with reasonable prices; and 6) transferring modern technologies and knowledge bases to farmers.



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

For feed manufacturing process, the Company has placed importance on (1) selecting appropriate location and factory design by taking into consideration all resources, geographical features and communities nearby; (2) selecting formulations for producing feed with nutrition that meet requirements of each type of animal, breed and age; (3) selecting quality raw materials that meet nutrition standards and are traceable; (4) applying state-of-the-art technology to produce and control quality, as well as digital data management; (5) using packaging in the form of bulk feed tank to replace plastic feed bag in order to reduce environmental impact, including controlling transportation with global positioning system (GPS); and (6) a sale system providing customer care with after-sales service.

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

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

Raw Material Selection Major raw materials used in the feed production consist of corn, soy bean meal, fish meal, bran and other vitamins and minerals. Quality raw material is a significant beginning for producing good feed, the Company therefore selects good quality raw materials through quality analysis and examinations conducted by laboratories accredited production standards relating to raw materials produced from legal and responsible sources in terms of environment and labour such as ISO/IEC 17025. The Company has implemented the policy to procure raw materials from domestic sources as

a priority and import raw materials in the case that raw materials procured domestically are not sufficient for its production due to inadequate quantities or quality. In 2021, the Company's Thailand operations had imported raw materials from overseas, accounting 34% of raw material cost for the feed production.

Additionally, in order to reduce the risk of rising raw material prices due to weather fluctuations and various unexpected events, cooperation of relevant departments in the organization, e.g., the procurement department, the production department, the academic department, etc., must be strengthened to analyze and adequately planned to deal with such risks. This includes setting an efficient raw material storage system to ensure a longer storage life. There must be pre-contractual procurement planning and procurement of alternative raw materials by focusing on locally-sourced raw materials to diversify options and to support the production sector of the local farmers. For example, in 2021, the Company purchased rice and rice products such as paddy, broken rice and rice bran to support farmers affected by the rice price crisis and distributed paddy production in the market by cooperating with rice mills to obtain paddy for further use in animal feed production, which promoted the use of domestic raw materials and helped alleviate the ongoing problems faced by the farmers.

Production and Quality Controls The Company uses **automated production and control systems, digital technology system and robots**, especially in areas that may affect employee health and safety, to ensure quality animal feed and employee safety according to the international standards certified by independent external agencies. Moreover, CPF employs Artificial Intilligence to develop the production process to increase efficiency and help reduce waste in the production process, resulting in quality animal feed products with international standards in production, safety at work, sustainability and environment. In addition, all products have been certified for Carbon Footprint Labels. In this regard, the Company's operations in each country shall apply for standards certified by independent external agencies based on the Company and customers requirements as well as the laws of such country.

In 2021 as Thailand's first and only animal feed factory, the Company's feed factory was granted GMP+ International Certification on feed safety throughout the value chain due to its outstanding system that reflects animal health and environmental concerns.

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

Sales and After Sales Services The Company realises that farmers successes in animal farming shall contribute to mutual sustainability of the animal feed business. Therefore, the Company places importance on sharing knowledge and understanding on animal farming and proper use of animal feed. Moreover, the Company provides animal farming technical services, appropriate farm management and animal health check-ups for farmers. These are important factors that make animals healthy and have good feed conversion ratios. The Company prepares sales teams that have knowledge of animal farming and constantly pay attention to providing advices to farmers. Regarding distribution of animal feed, the Company conducts direct sales from factories to farmers and sells them through dealers, as well as develops online feed sales to ensure greater access to farmers in remote areas. The animal feed market is also growing steadily in line with the increase in demand for meat and the expansion of animal farming in the form of modern industrial farming system.

(1.2) Farm and processing business



The Company's farm and processing business comprises breeding, farming and primary processing. There are **7 key factors to the success** of farm-processing business include: 1) strong breed; 2) proper feed; 3) appropriate animal housing, factory and equipment; 4) good farm management; 5) internationally recognized production process; 6) efficient transportation system; and 7) biosecurity management throughout the supply chain.

Major products of farm and processing business are animal breeds, live animals, primary processed meat (cut meat) and layer egg. Major types of animal include swine, broiler, layer, duck and shrimp. The Company has conducted farm and processing businesses in 15 countries, which include Thailand, China, including Republic of China

(Taiwan), Vietnam, United States of America, Russia, India, Cambodia, Turkey, the Philippines, Malaysia, Laos, Sri Lanka, Poland, and investment in Brazil and Canada. Each country has different nature of business, depending on its market opportunity and suitability.

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



Farm Location and Design The Company shall consider farm location on the basis of **risk management capability, green farm, animal welfare and biosecurity system management**. The farm shall situate in boundary and area that is suitable for animal farming with sufficient basic utilities. In the meantime, a transport system must be capable of preventing infection while transporting goods. The Company takes into account separation of animal raising area and outside, including control measures on disinfection prior to entering into animal raising area. In addition to good farm design, the Company has determined rules and regulations, with which farm staff shall strictly comply, especially during the outbreaks of pandemics such as African Swine Flu and COVID-19. Since the Company has managed biosecurity system effectively, COVID-19 pandemic impacts of 2021 in the past year were limited.

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

- *Livestock:* The Company has employed fully **enclosed animal housing with evaporative cooling system according to the animal welfare principles** to ensure suitable temperature in the housing for raising animal at all times. Animal raising process has been controlled by modern computer systems including an automatic feeding and watering and digital system for animal health monitoring. In addition, measures and control systems are set to prevent disease vectors. Based on animal welfare, which involves animal stress relief and well grown animals, areas for animals to express their natural behaviours are prepared appropriately as well as the systems controlling temperature and lighting in the housing that are appropriate for behaviour of each animal type and age range. These all are key factors that influence food safety.
- *Aquatic Animals*: The Company has simultaneously applied **probiotic farming** technology which is environmental friendly according to the animal welfare principles, preventive measures against pandemics, and recirculation aquaculture system to reduce use of water from natural sources. For shrimp farming business, the Company has used "CPF Combine" farming model, which combines innovations having been developed during operating shrimp farms. This model is a shrimp farming management under biosafety system, which is functioned by automated shrimp monitoring with digital sensing technology for real time processing and controlling shrimp cultured in pond and hatching pond. Moreover, the shrimp farm management is fully conducted from upstream to distribution of shrimps.

In addition, the Company has developed animal farm to become **green farm** by managing resource efficiency, installing systems including waste management and wastewater treatment systems, maintaining farm environment according to biodiversity principles, managing impacts on the environment and surrounding communities, as well as **the production of biogas** from farm waste which was aimed to produce renewable energy for electricity generation within farms. The Company also encouraged a wide range of partners to employ this system so as to help mitigate environmental impacts in terms of both waste and air pollution. Moreover, mineral-rich water was piped to nourish trees and plants grown by farmers around Company's farms after it had been treated by a standardized biogas system as legally required. This was carried out for further agricultural purposes under the project of "Share Water and Fertilize the Whole Community". This project can reduce expenses and increase farmers' income, as well as concurrently reducing impacts on the environment.

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

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



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

In addition, the Company has leveraged technologies such as Internet of Things and Artificial Intelligence (AI) to develop the farming process to achieve maximum efficiency in order to minimize human and animal contact and to limit viral transmissions to animals in accordance with biosecurity standards.

The Company is committed to **global health policy "One Health"**, taking into account the health of people, animals, and the environment to produce hygienic meat, achieving the production process of food innovations in order to place importance on future needs of consumers, who are more oriented to nutrition and health while also being environmentally conscious, throughout the supply chain, both in Thailand and overseas. For example, plant-based protein innovations, Cheeva Pork – Pork with Omega 3, Benja Chicken. The Company therefore places priority on keeping farm animals healthy to avoid the use of medication. However, in case animal becomes sick, it will be cured according to the animal welfare principles which focus on "responsible use of antibiotics". The Company also imposes the **"Responsible Use of Antibiotics Policy"** with detail as follows:

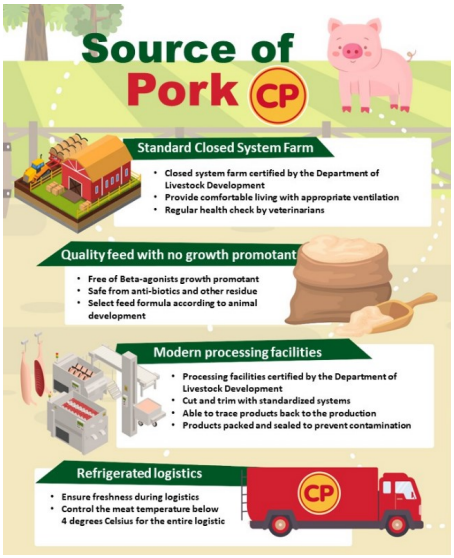
1. The antibiotics shall be used under veterinary oversight for necessary therapeutic uses only;
2. Avoiding the use of antibiotics with the purpose of promoting animal growth promoter; and
3. Collaborating with international experts in order to establish better approaches for animal healthcare according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

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

Moreover, CPF upgraded its operations to "Smart Farm" by integrating innovations, electronic technology, and

Artificial Intelligence (AI). These all have been new approaches to which farmers have paid attention, with an aim to maximize productivity, optimize the production process, and develop sustainable agriculture, especially in the process of animal raising "Smart Farm", besides from being a modern farming practice and precise plans for effective operations, it also completes the requirements of safe food production for the sake of all consumers.

Primary Processing The Company has complied with the animal welfare principles and standards relating to the primary processing. These include selecting locations between a farm and a processing facility with appropriate distance. A truck being used for animal transportation shall limit animal density to prevent animal stress. Upon arrival at the processing facility, the truck shall park at the area where temperature is suitable and comfortable for animals before being through slaughtering, meat cutting and packaging processes. Furthermore, the Company has controlled the primary processing under production and employee safety standards.In this regard, the Company's operations in each country shall apply for standards certified by independent external agencies based on the Company and customers requirements as well as the laws of such country.



Packaging The Company selects packaging by taking into consideration the use of packaging that **reduces environmental impact**, such as bioplastic trays made from renewable resources known as polylactic acid (PLA), which was produced from plants and biodegradable without affecting the quality of food storage. This innovative PLA packaging has also received an honorable mention at the National Research Fair.

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

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

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

- **Cheeva Pork** the product derived from the developments of swine breed, feed and farming method to obtain good fat and high omega-3 pork to meet consumer requirements
- **Kurobuta Pork** the product made from developed imported swine breed to obtain the breed that can grow well in Thailand's environment. Kurobuta porks outstanding characteristics is a succulent meat that is softer than normal pork because its muscle layers contain more white fat for 30% and lower cholesterol
- **Benja Chicken** the product made from chicken that had been fed with special selected brown rice which helps strengthen chicken muscles, resulting in beneficial effects on aroma, tenderness and juiciness of chicken meat. Cage-free raised chicken is chemical free, safe, and can be alternative to health conscious consumers.
- **CP Pacific Shrimps** are cultured under the "3 Clean" approach, which consists of clean pond bottoms, clean water, and clean shrimp larvae through improvements of the environment of shrimp ponds to ensure cleanliness, comfortable habitats, good feed, positive growth rate, including the use of probiotics, which is environmentally friendly, to increase the efficiency of farming and reduce probability of diseases in shrimps without antibiotics used during the aquaculture.

- **Cage Free Egg** obtained from specially selected US laying hens that are naturally raised in a closed and cage-free housing system without hormonal growth promoters and antibiotics according to the animal welfare principles. Fresh eggs obtained thus meet consumer requirements. **This Omega-3 Egg** is chemical free, fresh and full of benefits of omega-3 which help support healthy nervous system and brain. It contains choline and vitamin B2, contributing to normal functioning of the nervous system. Laying hens are all raised in the closed system, 100% disease-free, without hormonal growth promoters and antibiotics.
- **Red Tilapia** is a fish species originate from Chitralada Nile tilapia strain. The Company had developed its breed and selected tilapia species worldwide to crossbreed through natural selection in order to obtain red tilapia with features that meet consumer requirements, including improving its properties to suit aquaculture in Thailand. As a result, the tilapia species obtained is able to live and grow in salt water. It is also further developed to create career opportunities for farmers and enable them to raise red tilapia fishes both in fresh and salt water.

(1.3) Food business

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



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

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

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

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

upstream to distribution channels. The Company has also developed the production processes to meet national and international standards.

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

The Company has developed food products and hygienic ready-to-eat food to meet the needs and promote the health of consumers, including the following products.

- **Ready-to-eat food products** that serve the needs around the clock. Quality raw materials are selected through modern, clean, safe, quality production processes, examples of which are shrimp wontons that are available in soup, with noodles, or as dumplings; rice, spaghetti, desserts, etc.
- **Sausage products** feature a blend of quality raw materials that have gone through a state-of-the-art continuous automated production process to ensure safety and world-class standards. In addition, the Company manufactures and distributes premium sausages under the "Butcher" brand, offering authentic German-style sausage products that are produced through meticulous raw material sourcing, high-quality ingredients, and deliberate production methods.
- **MEAT ZERO planted-based products** are to meet the needs of vegan and flexitarian consumers. All products are made from plants and cholesterol free while the protein content is comparable to that of meat with high fiber. The Company has catered a wide array of menus such as bologna, chicken nuggets, basil rice, spaghetti, minced meat, etc. In this regard, the products were first distributed in 2021 in Thailand, Singapore and Hong Kong.

The Company has focused on quality and safety to ensure that its food products are healthy products that meet consumer requirements. The Company has therefore developed food innovations continuously and established CPF Food Research and Development Center Co., Ltd. to be the center and key driver in the food industry, and provide food research such as, food in relation to age, healthcare food product segments as well as provide product development to meet the shifting trends of the global food industry. A prototype factory equipped with state-of-the-art techonology are available for experimental productions which help increase the accuracy and speed for market response. The CPF Food Research and Development Center appoints personnels who jointly leverage their expertise to create food products that taste good and contain appropriate nutritional value as well as provide safe and environmentally conscious production process and packaging.

"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	GMP HACCP ISO 9001 ISO 22000 ISO/IEC 17025 GMP+ B1 B2 B3 FAMI-QS AI Compartment	RWA ALO Global GAP BAP IFFO RS CoC MSC Marin Trust	GAP GMP GHPs HACCP ISO 9001 Halal Standard Global GAP CoC Dept. of Fisheries Genesis GAP/ Lloyd's Register Poultry Schem	BAP FMD Free AI Compartment BRC QS RWA ALO	GMP GHPs HACCP ISO 9001 Halal Standard BRC	QS ALO RSPO BAP ASC
Environmental Standards	ISO 1400 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14046 ISO 45001		
Occupational Safety Standards	Good Labour Practice (GLP)		TLS 8001-2010	OHSAS18001		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 with third-party organization for standard certification as deemed appropriate based on the country's laws as well as requirements of the Company and customers.

The Company also established the food laboratory covering livestock, aquatic animals and instant foods in Thailand operations. The food laboratory provides test and calibration services according to international standards in order to examine the quality of food before delivering to consumers. Its services covering: 1) the test consisting of chemical, microbiological, physical and sensory tests, whereas sampling processes are conducted throughout the value chain for laboratory analyses before delivering products to consumers; and 2) the calibration consisting of calibration processes of

scientific equipment used in laboratories and production processes to ensure equipment accuracy and precision for continuous use.

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

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

- Studies of good microorganisms in human digestive system and the positive effect on health in terms of immune stimulation and control of metabolic disorder, in collaboration with the Faculty of Medicine Siriraj Hospital, Mahidol University and the Faculty of Medicine, Srinakharinwirot University;
- Study of active ingredient extraction from co-product to increase value, such as collagen type II cold-pressed extraction for building bone mass, in collaboration with Prince of Songkla University;
- Cell performance and clinical tests on usage of important substances in humans, i.e. culture of specialized cells to confirm research efficacy, in collaboration with the Thailand Institute of Scientific and Technological Research;
- Study of nutrition science on developments of high-protein and powdered foods, as well as nutritional supplement drinks for patients, in collaboration with the Faculty of Medicine, Chulalongkorn University;
- Developing probiotic products for a better health as an alternative to balance holistic health relating to digestive system and immune system stimulation, by using source of strain innovation and technology from Morinaga Milk Industry, Japan, which have been through over 100 clinical researches, to create formulas that are suitable for consumers;
- Producing Rapid Test Kit to test two listeria strains that cause foodborne illness pathogens and toxicants affecting human health by developing quicker and cheaper biosensor for bacterial DNA detection which is able to accurately check result of contamination. It is a patent awarded the Golden Awards, an international award from "The International Trade Fair-Ideas, Inventions and New Products" (iENA), Germany, in 2018; and
- Developing plant-based protein product by researching and developing meat-like flavour molecules in collaboration with leading research centers in Thailand, the United States, Japan, and the Republic of China (Taiwan).

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

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

- Modern retail and wholesale comprising hypermarket, supermarket, and convenience store;

- Hotel, restaurant and catering (HoReCa);
- Original Equipment Manufacturer (OEM);
- Traditional Market and distributors;
- Restaurants and food outlets;
- CPFs distribution channels including the following businesses:
  - **Five Stars Business** a franchise business providing a wide variety of products, namely roasted chicken, fried chicken, chicken rice, shrimp dumpling noodle soup, ready meal and sausage;
  - **Chesters Restaurant** a fast food restaurant business operated by the Company in the form of franchise business, which includes restaurants operated by the Company and franchisees;
  - **CP Food World** provides food court services in areas of hospitals, educational institutes and office buildings. CP Food World is consisted of restaurants of the Company as well as restaurants from external partners, and it emphasises on variety foods, affordable prices, cleanliness and sanitary standards;
  - **Community Refrigerator** a business distributing CP brand products including fresh, chilled and frozen foods, i.e. pork, chicken, duck, egg, shrimp, fish, sausage, ready-to-eat and ready-to-cook foods, to support consumers in communities to access to fresh, clean, safe and quality food sources, as well as to promote career opportunities and generate incomes for business operators;
  - **Great Harbour** a buffet restaurant to serve a variety of food and quality at a reasonable price to consumers;
  - **Chickita** a fast food restaurant business with selling points including quality of flame-grilled chicken and modern ambient that suit todays consumer requirements. Chickita is currently operated in Vietnam;
  - **Wan Chai** a Chinese restaurant which is currently operated in Vietnam.

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

Innovation Management Approaches

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

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

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

The Company focuses on creating workplace ambience which contributes to creative thinking and new initiatives. The Company emphasizes on 5 aspects of innovations consisting of (1) innovation for production efficiency; (2) value added innovation; (3) innovation on health and sanitation products and services; (4) business model innovation for creating growth;

and (5) innovation for organisational sustainability. The Company organizes the **innovation competition** entitled the "CPF CEO Award" on a yearly basis to provide its employees with opportunities to showcase their talents through their innovative works for competition. The innovative works are divided into 3 levels according to 3i concept which includes:

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

The Company recognizes potentiality of "TRIZ" (Theory of Inventive Problem Solving[/2]) , therefore TRIZ application approaches have been applied to develop employees of every business unit to become innovators according to TRIZ techniques. In 2021 the Company had 1 ,083 TRIZ innovators in Thailand and 392 innovations which had been patented / petty patented for a total of 7,475 innovations In addition, the Company has managed innovations according to **European Committee for Standardization (CEN) CEN/TS16555**[/3] since 2016.



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

Learning Innovation Opportunities

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

- **"Cheeva Pork"** Innovation is derived from swine breed, feed and farming method developments resulting in good fat and higher omega-3 pork than conventional pork to meet requirements of health-conscious consumers. Cheeva Pork has been certified by the National Sanitation Foundation (NSF) and won ultimate food innovation award at the world food exhibition: THAIFEX-Anuga Asia 2020 and Outstanding Innovation Award from SET Awards 2021 organized by the Stock Exchange of Thailand, in collaboration with Money and Banking Magazine.



- **"Benja Chicken"** Innovation is the development of fresh chicken product, whereas chicken are fed with specially selected brown rice that is rich in GABA, antioxidants, vitamin B3, B6 and B9, all of which help to strengthen chicken muscles, build good muscle structure and enhance taste, aroma, softness and juiciness of chicken meat.
- **"Healthy Tender Chicken Breast"** Innovation is the product made from whole chicken breast that had undergone vacuum massage which is the Company's technology enhancing chicken breast that is normally dry and not as tender as chicken thigh to be soft, juicy and suitable for health-conscious consumers due to its high protein and low fat. In 2016, Tender Chicken Breast received the SET Awards of the Innovation category.



[/2] *A principle for inventions and innovative solutions to problems found in the industrial sector. It is applied for achieving maximum performance or an increase in quality 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.*

[/3] *CEN/TS 16555 is the standard innovation management system that supports an organisation to create innovations systematically for accommodating the corporate growth, enabling operations under limited resources and building innovation successfully.*

- "**CP Chicken Rib**" Innovation with the innovative concept of adding value to by-products by using specially trimmed chicken back – with single bone. The product is sold in various modern retail channels including, Makro, Big C, Max Value, Golden Place, Tops, Gourmet, Home Freshmart, Lotus's and 7-Eleven. Moreover, it is exported to Japan and the People's Republic of China.
- **Pellet Durability Index Test Innovation** for animal feed production by using a computer system to increase efficiency and reduce human errors. In the pellet feed production process, there must be a regular testing process for the durability of feed pellets to check the strength and adhesion of the pellets in order to obtain quality products according to the required standards. Moreover, it helps control of dust that may be caused by the production process to be within the specified criteria.
- "**Environmentally Friendly Swine Feed**" Innovation is derived from the application of biotechnology for swine and layer chicken feed which can reduce amounts of nitrogen and carbon dioxide emissions from animal excretion. It also reduces animal feed cost by using raw feed ingredients that do not exceed the needs of animals and are disposed as waste or manure without affecting production efficiency or quality of pork and egg.
- "**Accounting and Finance**" Innovations have been developed by the Company by adopting modern technology and robotic accounting to apply to work processes and data processing in order to increase work efficiency and reduce errors. The same work processes are combined in one place to minimise unnecessary procedures and reduce repetitive tasks. The Company has also established the Shared Services Center for providing accounting services to the Company.
- Innovative **automated punch tablet press** by integrating the use of Artificial Intelligence (AI) and Machine Control system in the animal feed production process to obtain quality animal feed, reducing noise produced and energy consumption, as well as increasing production efficiency.
- **Paper packaging** to contain individual quick frozen chicken products. This packaging is distributed in Europe in replacement of plastic packaging. The first batch of paper packaged products was distributed in late 2021 in Iceland.
- Innovation to **enhance water efficiency** in pork and chicken processing plants using modern technology to improve the production process to manage the use of water resources at every process. For example, using air chiller instead of water chiller to reduce the temperature, the use of water circulation systems in shrimp farms to ensure zero liquid discharge by using ultrafiltration in treating water obtained from outside water sources and water used for shrimp farming in order to circulate it back to the farm.
- Innovative **Smart Farm** to increase production efficiency and to promote quality, safe, disease-free production through the use of technology and Internet of Things in the management process within the farm. This includes the use of Artificial Intelligence (AI) to develop the farming process for maximum efficiency. Also, Auto Feeding Systems are installed to reduce labor and minimize animal contact to limit potential infections among farm animals in accordance with biosafety standards (Biosecurity).
- Innovative green pig farms or **Greenfarm** that are friendly to the community and the environment under the concept of circular economy and biodiversity. It focuses on reducing greenhouse gas emissions into the atmosphere, adding green spaces and optimizing energy use for maximum benefits. Biogas is produced from pig manure, supplemented by a solar power system to reduce energy costs. Importantly, it also helps reduce the odor caused by animal raising.

Investment Privillege

CPF and its subsidiaires have been granted privileges relating to their businesses both in Thailand and oversea. 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 2021 and Outlooks in 2022

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

In 2021, global chicken meat production was 99.1 million tons, a slight increase from 2020 (99.08 million tons). The main producing country was still the United States at 20.3 million tons of production, followed by Brazil at 14.3 million tons, China at 14.0 million tons, the European Union at 10.9 million tons, and Russia at 4.6 million tons. In Thailand, the production of chicken meat has grown slightly due to the addition of new producers. In 2021, Thailand produced 2.9 million tons of chicken meat, an increase of 1.05% from 2020.

In 2022, global production of chicken meat is projected to be 100.9 million tons, an increase of 2%, with major producing countries expected to increase output. In Thailand, chicken meat production is expected to increase by 1% to 2.93 million tons.

For the world's important chicken meat exporting countries in 2021, Brazil was ranked first with 4.05 million tons of export volume, followed by the United States of America at 3.4 million tons, and the European Union at 1.8 million tons. Thailand is the world's fourth largest chicken meat exporter, with an export volume of approximately 0.90 million tons, at a value of approximately THB 101,000 million, a decrease of 4% compared to 2020 due to labor shortages and the impact of the global COVID-19 crisis. The major export markets of Thailand were Japan, the United Kingdom (UK), the European Union (EU), China, and ASEAN, respectively. In 2021, Thailand was expected to export about 433,000 tons of chicken meat to Japan, accounting for THB 54 billion, 130,000 tons to the United Kingdom (UK), accounting for THB 14.6 billion, 124,000 tons to the European Union (EU), accounting for THB 11,300 million, and 92,500 tons to China, accounting for THB 9 billion.

In 2022, Thailand's chicken meat exports are expected to grow slightly at 920,000 tons, accounting for THB 104,000 million, an increase of 2% from the previous year. The main positive factor is the number of factory workers, which is expected to return to normal. Moreover, many countries have already had good measures in place in prevention of the spread of COVID-19. Majority of the population was fully vaccinated while lockdown measures was eased, thereby causing consumption to grow more. It is expected that in 2022, China will suspend the ban on imports (self-suspend) implemented to Thai poultry production plants. As a result, the volume of Thai chicken meat exports to China would increase. However, China is expected to continue its stringent inspection measures at the import checkpoints. As for the Japanese market, there is still a constant demand for Thai products. Similarly, in the Malaysian market, there is a continued demand for imports from Thailand as well. In both the United Kingdom (UK) and the European Union (EU) markets, the easement of lockdown measures has trigger demands for goods; however, there is still problem in terms of import quota limit and very high freight charges.

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

In 2021, global pork production was forecasted to 106.1 million tons, up from 95.8 million tons in 2020, or 10.8%, due to the return of sow increment after the devastating effects of African Swine Fever (ASF) last year. This led to a significant increase in pig production in China, or an increase of 26.58%, as well as in Vietnam, Brazil and other countries. The situation of COVID-19 causes labor shortages in slaughterhouses in the United States and higher costs, resulting in the US pig production being slightly lower compared to last year. Meanwhile, Brazil and the European Union slightly increased their production.

Global pork exports in 2021 amounted to 12.49 million tons, a decrease of 0.45% from 2020 due to a decline in demand for pork imports from China. China's imports dropped to 4.5 million tons compared to 5.3 million tons in 2020, accounting for 38.69% of global imports in 2021, while most of other countries' pork imports were stable due to slower economic growth, as well as the impact of COVID-19, resulting in decreased demands for pork. This was except for Vietnam and the Philippines, where imports continued to slightly increase as the African Swine Fever outbreak continued within the countries. In this regard, this challenged efforts to reintroduce pork production.

In 2022, global pork production is expected to drop by 2% to 104.2 million tons, mainly due to lower production in China. China's pork production is expected to reach nearly 43.8 million tons, almost 5% lower than that of 2021. The decline in pig prices in China since the beginning of 2021 has driven reduction in swine populations and is expected to stabilize the number of pigs that enter slaughterhouses in the following year if the prices are still not increased. The low price of fattening pigs and less excess profit shall make large producers more likely to slow down their production or, in the case of small operators, they may completely exit the business. Moreover, higher feed prices have made the last year's fattening pigs unstable and not

worth economic value. At the same time, other producing countries such as Brazil and Mexico shall witness the expansion of the domestic swine industry. This is due to the recovery of domestic demand and higher export opportunities.

The US production is expected to slightly decline in 2022 due to the decreasing swine inventory and producers' willingness to reduce sow numbers since the latter part of 2021, resulting in future yields being tightened. However, US exports are expected to increase by 3% in alignment with the demand in most major markets. Higher imports in China shall support US trade, both directly and indirectly, as major competitors shift their product targets away from other East Asian markets such as Japan and South Korea. In addition, consumer demand and the increase in the value of the peso currency shall indeed support the exports to Mexico.

In the EU, swine prices tend to be lower, leading to slaughter of heavier swine and lower demands, both domestically and internationally. German and Dutch producers have switched sow herds, resulting in potential decline of pork production. Moreover, there are challenges of labor shortages in certain plants in Brazil. In this regard, pig production is expected to increase nearly 3% due to recovering domestic pork consumption and good export capacity.

For Thailand, data from The Swine Raisers Association of Thailand shows that in 2022 Thailand expect to produce 14.7 million fattening pigs, fewer than that of 2021. In this regard, due to concerns about ASF, the production of small pig farmers declined. Moreover, a number middle and large farmers were also impacted by the epidemic resulting in resulting in no expansion of the production capacity.

Swine prices started to increase the 3rd quarter of 2021. Later, in the 4th quarter of 2020, there was a notable increase with the selling price of pigs that reached around THB 75-80 per kilogram.

In 2022, Thailand will continue to have more stringent surveillance of ASF in place. Therefore, all sectors in the pig farming industry in Thailand must work together to foster knowledge, accurate and rigorous understanding in prevention of ASF disease. In this regard, the demand for fattening pigs in the country has increased due to the easing COVID-19 situation and the small number of fattening pig populations, all of which shall provide an opportunity to keep the selling price of fattening pigs in Thailand high throughout 2022.

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

Thailand's total farmed shrimp production in 2021 stood at 280,000 tons, a slight increase from 2020, with production at 270,000 tons, representing a 4% increase. Shrimps were produced from the lower southern region, the upper southern region, the eastern region, and the central region at 33%, 32%, 24%, and 11%, respectively. Global shrimp production is expected to be around 4.24 million tons, an increase of 16%. As shown in Table 1, shrimp exports in January-October 2021 amounted to 128,758 tons, accounting for THB 39,251 million, an increase in both volume and value compared to the exports in the same period of 2020, which had achieved the volume of 123,297 tons, accounting for THB 35,872 million, representing an increase of 4% and 9% respectively (as shown in Table 2), despite the problem of container shortages, high shipping costs, etc.

For shrimp farming in Thailand this year, farmers in all areas experienced climate variability with heavy rainfall in the second half of the year. Moreover, they had faced with epidemic problems, including white feces syndrome, red disease and white spot disease in shrimps, and Shrimp Early Mortality Syndrome (EMS), all of which affected the efficiency of farming and were indeed a hidden cost for farmers in reducing risks from climate variability and epidemic, resulting in them being highly careful in raising shrimps by reducing the density and gradually releasing shrimps. During the end of 2021, farmers temporarily ceased farming activities, cleaned the ponds, and reset the farming system to prepare for the release of the new batches in early 2022.

For the year 2022, it is expected that Thailand shall produce approximately 300,000 tons of shrimps, or an increase of 4%. In addition, in the event that epidemic problems and other obstacles can be solved and settled, Thailand may be able to produce up to 400,000 tons of shrimp, as Thailand's shrimps have gained reputation for their properties, quality, safety, and other supporting factors. Moreover, Thailand is a world-class production source of good quality shrimp larvae, effective shrimp feed while also having shrimp hatchery and nursery farmers and shrimp famers who possess experience and skills, talented shrimp processing cold storage operators, and others more. Although the current status of shrimp production in Thailand has

changed, especially in the quantitative terms, as Thailand is no longer a leader in shrimp production, Thailand is second to none when it comes to quality. Shrimp is still in demand and can bolster the confidence of buyers. In order to ensure active operation and sustainability of Thailand's shrimp industry, all sectors in the production chain need to join forces. Importantly, the government sector is required to adjust its role, projecting a vision and providing concrete support to enhance and thrive Thailand's shrimp industry to achieve sustainable growth.

Table: 1 : World shrimp production 2014-2021*

Unit: Thousand Tons

Country/Year	2014	2015	2016	2017	2018	2019	2020	2021*	% Change 21/20
Thailand	230	260	300	300	290	290	270	280	+4%
China	625	600	550	525	525	625	550	800	+45%
Vietnam	300	210	260	320	410	443	469	526	+12%
Indonesia	200	220	270	260	270	260	270	250	-7%
India	420	470	530	600	560	580	600	730	+22%
Malaysia	35	30	40	45	35	48	50	47	-6%
The Phillippines	57	48	53	55	56	54	55	60	+9%
Middle South America	630	628	669	810	872	1,073	1,242	1,385	+12%
Others	70	100	110	160	200	135	158	157	-1%
Total	**2,567**	**2,566**	**2,782**	**3,075**	**3,218**	**3,508**	**3,664**	**4,235**	**+16%**

*Source: Thai Shrimp Association, *Estimation*

Table 2 : Export of Thai Shrimp 2021* (Jan-Oct)

Unit: Quantity - Tons, Value - THB Million

Country/Union	Jan-Oct 2020		Jan-Oct 2021		% Difference	
	Quantity	Value	Quantity	Value	Quantity	Value
Asia	72,491	18,435	80,235	21,983	10.68	19.25
- China	15,014	4,316	18,479	5,650	23.08	30.91
- Japan	26,450	9,033	29,052	9,841	9.84	8.94
- Others	31,027	5,086	32,704	6,492	5.40	27.64
The United States	37,021	12,971	35,722	12,921	-3.51	-0.39
EU	4,110	1,444	3,611	1,271	-12.14	-11.98
Australia	3,919	1,271	3,500	1,219	-10.69	-4.09
Others	5,756	1,751	5,690	1,857	-1.15	6.05
Total	**123,297**	**35,872**	**128,758**	**39,251**	**4.43**	**9.42**

Source: Thai Shrimp Association - collected from the Customs Department

(3) Procurement of products or services

Total capacity for major products in 2020-2021 is shown below

Factory		2020			2021		
		No. of factories	Maximum capacity	Capacity utilization rate	No. of factories	Maximum capacity	Capacity utilization rate
Feed factories	(Million tonnes)	61	20	72%	62	20	78%
Livestock processing factories	(Thousand tonnes)	88	4,198	60%	92	4,355	63%
Aquaculture processing factories	(Thousand tonnes)	11	109	39%	11	104	41%

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,	
	2010	2021
Land	49,102	53,820
Building, building-improvements and utilities system	69,181	82,387
Machinery and equipment	56,157	62,013
Assets under construction and installation	21,088	25,272
Others	4,610	7,015
Total	**200,138**	**230,507**

CPF had a commitment to transfer the ownership of assets, with total book value of THB 15 million as of December 31, 2021, to Maejo University (the "university"). Currently, such assets (utilities system, Machinery and equipment and others) belong to CPF. According to the Cooperative Technical agreement with the university, the university allowed CPF to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at December 31, 2022. Under the terms of the agreements, CPF is committed to transfer the ownership of the project property to the university at the expiration of the agreements. In addition, as of December 31, 2021, certain foreign subsidiaries had secured long-term borrowings totalling THB 25,783 million (2020: THB 15,857 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of THB 13,731 million (2020: THB 11,156 million), current and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying amount of THB 7,252 million (2020: THB 6,339 million).

In addition to the assets owned by CPF as described above, as of December 31, 2021, the Company has right-of-use assets covering land, buildings, equipment, vehicles and leasehold rights of THB 34,664 million for the periods of 1 to 57 years, expiring in 2022-2078.

(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.

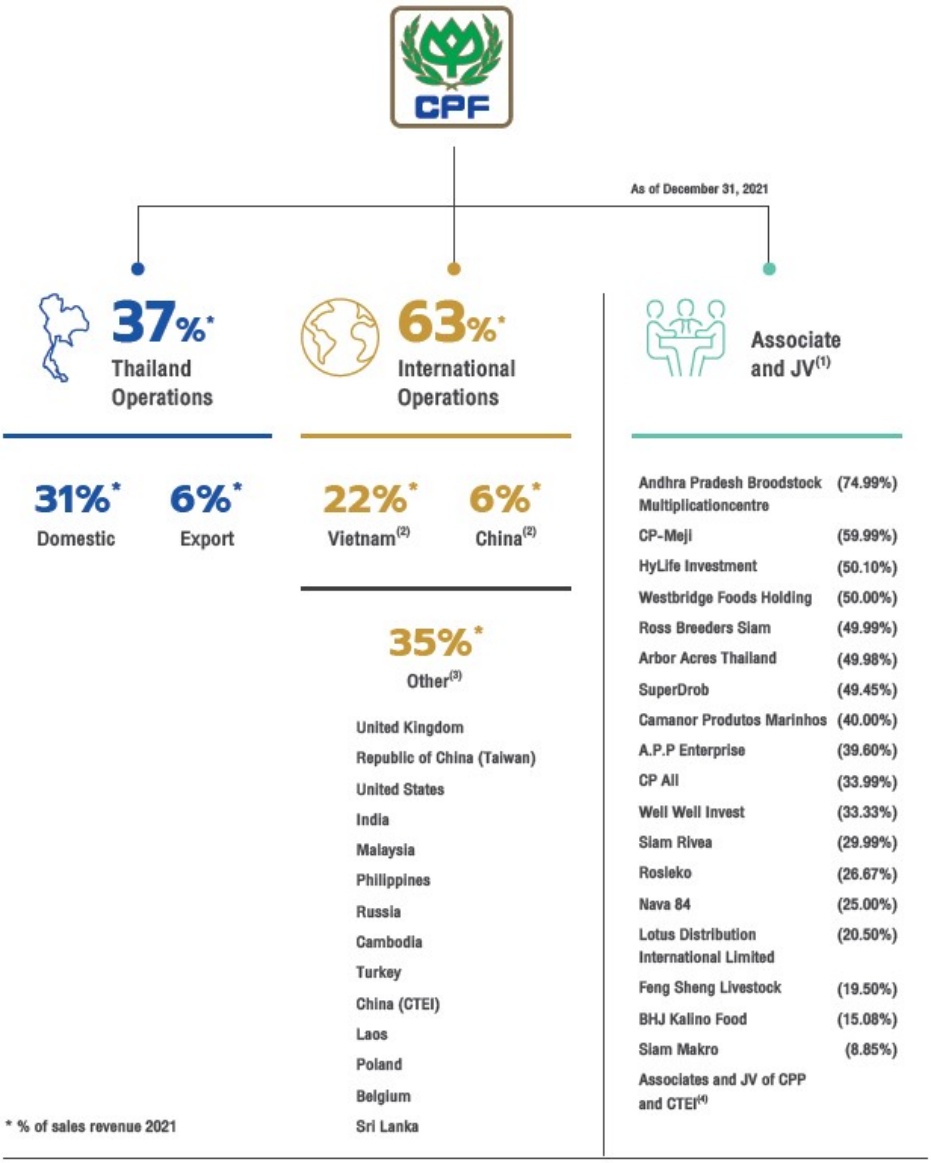
(4.3) Investment policy and management

CPF has a clear investment policy to invest in main or related businesses. CPF generally appoints its representaives 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 leaset 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, 2021



Note:
(1) % of shareholding represent both direct and indirect holding
(2) Operate under C.P. Pokphand Co., Ltd. (CPP)
(3) List of operation area
(4) Group of associate and join venture of CPP and CTEI. Details can be found in Note to financial statements for year 2021.

Investment of CPF Group

Subsidiaries

As of December 31, 2021, there were 230 companies[/4] which CPF has direct and indirect control with detail as follows:

Subsidiaries with Thailand operations and businesses related to operations in Thailand

Thailand

Subsidiaries	Type of Business	Registered Capital	Interest (%)
1. CPF (Thailand) Plc. Bangkok Tel. 66-2-766-8000	Agro-industrial and integrated food	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	99.99
3. CPF Trading Co., Ltd. Bangkok Tel. 66-2-694-4466	Wholesale and retail food products	THB 800,000,000	99.99
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	99.99
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	Five stars business and restaurants	THB 200,000,000	99.99
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	99.99
12. C.P. Merchandising Co., Ltd. Bangkok Tel. 66-2-766-8000	Investment and international trading	THB 44,550,000,000	99.99
13. Westbridge Foods (Thailand) Ltd. Bangkok Tel. 66-2-726-9890	Provision and development for Asian food product	THB 31,325,600	99.99
14. CPF Training Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Training center service provider	THB 20,000,000	99.99
15. Suansomboon Co., Ltd. Bangkok	Agricultural plant farming	THB 700,000,000	99.99

[/4] *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.*

China

Subsidiaries	Type of Business	Registered Capital	Interest (%)
16. C.P. Aquaculture (Dongfang) Co., Ltd. Tel. 86-898-3696-3979	Shrimp hatchery business	RMB 148,000,000	52.25
17. C.P. Aquaculture (Zhanjiang) Co., Ltd. Tel. 75-983-91726	Shrimp hatchery business	USD 12,000,000	52.25
18. 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
19. Wesbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	USD 100,000	99.99
20. Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	USD 1,680,000	52.25
21. Beijing CP Consultation Services Co., Ltd. Tel. 86-108-508-9000	Provision of consulting service on economic and trade	RMB 1,500,000	52.25
22. C.P. Food (Hengshui) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 271,630,000	52.25
23. C.P. Food (Kaifeng) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 52,000,000	52.25
24. C.P. Food (Nantong) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 14,280,000	52.25
25. C.P. Food (Zhanjiang) Co., Ltd. Tel. 86-108-508-9000	Production and sale of processed food	RMB 99,500,000	52.25
26. C.P. Food Enterprise (Ningbo) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 60,000,000	52.25
27. Chia Tai (Beijing) Investment Management Co., Ltd. Tel. 86-108-508-9000	Rendering management and advisory service	RMB 1,170,000,000	52.25
28. 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	52.25
29. CP Food Enterprise (Qinhuangdao) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 117,460,000	52.25
30. Chia Tai Biopharmaceutical (Fujian) Co., Ltd. Tel. 86-108-508-9000	Production and sale of drugs	RMB 60,000,000	35.17
31. Chia Tai Food (Suqian) Co., Ltd. Tel. 86-108-508-9000	Poultry farming, production and sale of chicken meat products	RMB 856,298,060	52.25
32. Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	52.25
33. Hubei Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of animal feed and breeding and processed food	RMB 280,000,000	52.25
34. Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	52.25
35. Jilin Chia Tai Food Co., Ltd. Tel. 431-808-838-4966	Food processing plant, production and distribution of processed meat and ready meal	RMB 380,000,000	52.25
36. Fujian Chia Tai Food Co., Ltd. Tel. 86-108-508-9000	Sale of processed poultry meat	RMB 218,000,000	36.57
37. Fujian Hetai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and trading of poultry	RMB 50,000,000	36.57
38. Longyan Baotai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and sale of poultry	RMB 60,000,000	36.57

Subsidiaries	Type of Business	Registered Capital	Interest (%)
39. Longyan Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production of processed poultry meat	RMB 180,000,000	36.57
40. Henan Chia Tai Biochemistry Trading Co., Ltd.	Trading of animal drugs	RMB 10,000,000	35.17
41. Pucheng Chia Tai Biochemistry Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 189,890,000	35.17
42. Zhumadian Huazhong Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 72,000,000	35.17
43. Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	RMB 35,000,000	52.25
44. C.P.Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	RMB 12,600,000	52.25
45. Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	RMB 140,000,000	52.25

Vietnam

Subsidiaries	Type of Business	Registered Capital	Interest (%)
46. C.P. Vietnam Corporation Tel. 84-25-383-6251-9	Production and sale of animal feed, farming and food processing plant	VND 9,188,671,500,000	66.18
47. CPV Food Co.,Ltd	Livestock farming, production and sale of animal feed and processed food	VND 1,073,049,000,000	66.18
48. Dzine Food Solutions Co.,Ltd	Restaurants and mobile catering services	VND 70,000,000	66.18
49. AHM Lifestyles-Creative Hospitality Joint Stock Company	Restaurant	VND 45,000,000,000	50.96

United Kingdom

Subsidiaries	Type of Business	Registered Capital	Interest (%)
50. Food Trac Ltd.	Distribution of meat products	GBP 100	99.99
51. Wesbridge Food Group Limited	Investment	GBP 88.96	99.99
52. Wesbridge Foods Ltd.	Importer and distributor of meat and processed foods	GBP 100	99.99
53. Wesbridge Group License Companies	Importer of poultry meat products	N/A	99.99
54. CP Foods (UK) Ltd. (“CPF UK”) Tel. 44-1299-253131	Importer and distributor of processed meat and ready meals	GBP 271,200	99.98
55.-105. Subsidiaries of CPF UK (51 companies)[/5]	Importer and distributor of processed meat and ready meals	GBP 1	99.98
106. The Foodfellas Ltd. Tel. 44-2086-223064	Import food raw materials and food products	GBP 15,567	99.98
107. CP Chozen Ltd.	Investment	GPB 800,000	79.99
108. Chozen Holdings Ltd. Tel. 44-1905-732100	Restaurant	GBP 30	79.99
109. Chozen Noodle Trading Ltd. Tel. 44-1905-732100	Property lease-out	GBP 10	79.99

[/5] *51 subsidiaries of CP Foods (UK) Ltd. were as follows:*

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

Republic of China (Taiwan)

Subsidiaries	Type of Business	Registered Capital	Interest (%)
110. Chun Ta Investment Co., Ltd.	Investment	NTD 50,000,000	100.00
111. Ta Chung Investment Co., Ltd.	Investment	NTD 100,000,000	100.00
112. Charoen Pokphand Enterprise (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Chicken integration and livestock farming	NTD 3,579,000,000	39.00
113. 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
114. Rui Mu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 300,000,000	26.52
115. Rui Fu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 800,000,000	19.89
116. Sheng Da Food Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 200,000,000	14.92
117. 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 (%)
118. CPF (INDIA) Private Ltd. Tel. 91-44-265-68406	Production and sale of animal feed, farming and food processing plant	INR 4,888,500,000	99.99
119. C.P. Aquaculture (India) Private Ltd. Tel. 044-4604-9999	Aquatic feedmill and shrimp hatchery in India	INR 250,000,000	31.70

USA

Subsidiaries	Type of Business	Registered Capital	Interest (%)
120. Bellisio Foods, Inc.	Production and distributor of ready meals	USD 100	100.00
121. Bellisio Investment, LLC	Investment	N/A	100.00
122. C.P. Food Products, Inc. Tel. 1-410-505-5017	Importer and distributor of seafood products	USD 7,980,000	99.99
123. Frozen Specialties, Inc.	Production and distributor of ready meals	N/A	100.00
124. FSI Parent Corp.	Investment	N/A	100.00
125. Homegrown Shrimp (USA), LLC.	Shrimp farming	USD 16,600,000	100.00
126. Overhill Farms, Inc.	Production and distributor of ready meals	N/A	100.00
127. Berice LLC.	Investment in restaurant	USD 3,100,000	99.99
128. Yipeng, LLC.	Restaurant	USD 1,765,000	99.99

Russia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
129. Agro-Oskol CJSC Tel. 7-496-634-1963	Agricultural plant farming	RUB 2,100,000	75.82
130. Agro-Ostrogorzhsk LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 227,600,000	75.82
131. Agro-Sojuz TS LLC. Tel. 7-496-634-1963	Investment	RUB 10,000	75.82
132. Alekseevskiy Kombikormovy Zavod CJSC Tel. 7-496-634-1963	Animal feedmill	RUB 2,100,000	75.82
133. Alekseevsky Bekon JSC Tel. 7-496-634-1963	Livestock farming	RUB 4,248,801	75.82
134. APK Don LLC. Tel. 7-496-634-1963	Management and advisory service	RUB 1,000,000	75.82
135. Chochol Trostjanka LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 1,000,000	75.82

Subsidiaries	Type of Business	Registered Capital	Interest (%)
136. Donskoy Bekon LLC. Tel. 7-496-634-1963	Livestock farming	RUB 20,000	75.82
137. Farm Construction LLC. Tel. 8-831-211-3011	Swine farm construction	RUB 100,000	75.82
138. Kornevo LLC. Tel. 8-401-230-7700	Livestock farming	RUB 203,010,000	75.82
139. Management Company RBPI Group LLC. Tel. 8-401-230-7700	Property lease-out	RUB 173,110,000	75.82
140. Mjaso-Sojuz T LLC.	Investment	RUB 10,000	75.82
141. MPK Belgorod LLC.	Investment	RUB 100,000	75.82
142. NNPP LLC. Tel. 8-831-211-3011	Livestock farming	RUB 483,040,562.83	75.82
143 NNPP-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 900,000,000	75.82
144. Pravdinsk Pig Production JSC Tel. 8-401-230-7700	Livestock farming	RUB 1,030,000,000	75.82
145. Pravdinsk Pig Production-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 1,010,000,000	75.82
146. RBPI ELITE SEEDS LLC.	Production of elite seeds	RUB 1,000,000	75.82
147. RBPI Partner East LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 10,000,000	75.82
148. RBPI Partner West LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 1,000,000	75.82
149. RBPI Voronezh LLC. Tel. 8-401-230-7700	Investment	RUB 10,000,000	75.82
150. Rechnoe LLC. Tel. 8-401-230-7700	Biological waste management services provider	RUB 50,000,000	75.82
151. Charoen Pokphand Foods (Overseas) LLC. Tel. 7-496-634-1963	Animal feedmill and livestock farming	RUB 5,266,995,018.50	99.99
152. CPF Agro LLC. Tel. 7-496-634-1963	Livestock farming	RUB 605,277,700	99.99
153. CPF Construction LLC. Tel. 7-496-634-1963	Provision of consulting service on construction	RUB 19,000,000	99.99
154. CPF Foods LLC. Tel. 7-496-634-1963	Property lease-out	RUB 480,010,000	99.99
155. CPF Ryazan LLC. Tel. 7-496-634-1963	Livestock farming	RUB 87,238,163.21	99.99
156. CPF Serebryanie Prudy LLC. Tel. 7-496-634-1963	Livestock farming	RUB 34,391,907.76	99.99
157. JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	RUB 1,129,937,718	99.99
158. JSC Poulty Parant Stock Production Woyskovitsy	Livestock farming and breeding	RUB 196,500,735	99.99
159. Stesha LLC.	Investment	RUB 21,490,384,913.18	99.99
160. CP Foods Trading Co., LLC.	Importer and exporter of meat products	RUB 10,000	99.99

Turkey

Subsidiaries	Type of Business	Registered Capital	Interest (%)
161. C.P. Standart Gida 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 (%)
162. 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 (%)
163. AA Meat Shop Sdn. Bhd. Tel. 603-8065-1800	Livestock processing retailer	N/A	99.99
164. Asia Aquaculture (M) Sdn. Bhd. Tel. 603-4027-1800	Shrimp farming and processing plant	RM 520,000,000	99.99
165. Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	RM 420,000,000	99.99
166. Chau Yang Farming Sdn. Bhd. Tel. 605-3771-331	Livestock farming	N/A	99.99
167. Makin Jernih Sdn. Bhd.	Investment	N/A	99.99
168. Tip Top Meat Sdn. Bhd. Tel. 603-6091-7340	Livestock processing plant	N/A	99.99
169. Star Feedmills (M) Sdn. Bhd. Tel. 603-4027-1800	Aquatic feed production and distribution	RM 100,000,000	99.99
170. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	N/A	100.00
171.-174. Subsidiaries of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (4 companies)[/6]	livestock feedmill and livestock farming	N/A	100.00

Laos

Subsidiaries	Type of Business	Registered Capital	Interest (%)
175. 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 (%)
176. CPF Europe S.A. Tel. 32-2357-5380	Importer and distributor of processed meat and ready meals	EUR 95,595,000	99.99
177. Tops Foods NV Tel. 32-1428-5560	Production and distributor of ready meals	EUR 3,940,000	84.07

Sri-Lanka

Subsidiaries	Type of Business	Registered Capital	Interest (%)
178. Norfolk Foods (Private) Limited Tel. 9-411-285-7340	Production and sale of ready meal	N/A	80.00
179. 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 (%)
180. CPF Poland S.A Tel. 48-22-7790600	Agro-industrial and food	PLN 9,250,000	66.67
181. Pet Republic	Production and sale of pet food	PLN 330,000	60.00
182. CPF Culinar Sp. z o.o.	Production of seafood products	PLN 2,650,000	66.67
183. Food Port Sp. z o.o.	Distributor of seafood products	PLN 300,000	66.67
184. PLANT-TEC Europe Sp. z o.o.	Investment	PLN 21,600,000	66.67

[/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.

Cambodia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
185. 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
186. 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 (%)
187. Finagro ASP	Financial service	DK 550,000	75.82
188. CPF Denmark A/S Tel. 45-7526-1330	Importer and distributor of processed meat and ready meals	EUR 500,000	52.00

Germany

Subsidiaries	Type of Business	Registered Capital	Interest (%)
189. Paulsen Food GmbH	Distributor of processed meat and investment	EUR 25,000	99.98
190. CPF Distribution GmbH	Distribution of ready meals	EUR 511,292	99.98
191. ZGG Verwaltungs GmbH	Investment	EUR 26,000	99.98

Canada

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

Natherlands

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

British Virgin Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
197. Bright Excel Investments Ltd.	Investment	USD 50,000	100.00
198. C.P. Foods Holdings Ltd.	Investment	USD 1,000,000	100.00
199. C.P. Foods International Ltd.	Investment	USD 100,000,000	100.00
200. Coinaton Investments Ltd.	Investment	USD 50,000	100.00
201. CPF Investment Ltd.	Investment	USD 1,750,000,000	100.00
202. CPVN Ltd.	Investment	USD 1,000,000	100.00
203. Forward Pass Ltd.	Investment	USD 50,000	100.00
204. Giant Crown Invesments Limited	Invesment	USD 50,000	100.00
205. New Splendid Holdings Ltd.	Investment	USD 50,000	100.00
206. Modern State Investments Ltd.	Investment	USD 120,000,000	52.25
207. Charoen Pokphand (China) Investment Ltd.	Investment	USD 56,000,000	52.25
208. ECI Machinery Co., Ltd.	Investment	USD 50,000	50.43
209. CP Foods Capital Ltd.	Investment	USD 100,000,000	100.00

Bermuda

Subsidiaries	Type of Business	Registered Capital	Interest (%)
210. Charoen Pokphand (Taiwan) Investment Ltd.	Investment	USD 12,000	100.00
211. C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food business	USD 600,000,000	52.25
212. C.T. Progressive (H.K.) Ltd.	Investment	HKD 1,000,000	52.25
213. Chia Tai Enterprises International Ltd.	Investment	USD 80,000,000	50.43

Cayman Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
214. CP China Investment Ltd.	Investment	USD 129,750,000	52.25
215. Plenty Type Ltd.	Investment	USD 13,361,488.37	39.00

Hong Kong

Subsidiaries	Type of Business	Registered Capital	Interest (%)
216. CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and resdy meals	HKD 7,000,000	99.99
217. C.P. Standard Resources Ltd.	Investment	N/A	52.25
218. CP Food Investment Ltd.	Investment	N/A	52.25
219. Hannick Ltd.	Property investment	N/A	52.25
220. C.P. Enterprises Ltd.	Investment	N/A	50.43
221. Chia Tai Huazhong Biochemistry Ltd.	Investment	N/A	50.43
222. Chia Tai Pucheng Biochemistry Ltd.	Investment	N/A	50.43
223. Golden Industrial Investment Ltd.	Investment	N/A	50.43
224. Chia Tai Lianyungang Co., Ltd.	Investment	HKD 1,000,000	39.00
225. CP Aqua Co., Ltd.	Investment in aquaculture business	N/A	52.25

Norway

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

Japan

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

France

Subsidiaries	Type of Business	Registered Capital	Interest (%)
228. Wesbridge Foods (France) Sarl	Distribution of meat products	EUR 100	99.99

Singapore

Subsidiaries	Type of Business	Registered Capital	Interest (%)
229. CP Foods Singapore Pte. Ltd.	Importer and distributor of processed meat and ready meals	SGD 1,500,000	99.99

South Korea

Subsidiaries	Type of Business	Registered Capital	Interest (%)
230. Consumer Package Commerce Co., Ltd.	Importer and distributor of processed meat and ready meals	KRW 540,000,000	99.99

Associates, Joint Ventures and Other Investments

As of December 31, 2021, 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 540,000,000	74.99
2. CP-Meiji Co., Ltd. Bangkok, Thailand Tel. 66-2-664-5309	Manufacturing and distribution of milk products and healty 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

Company	Type of Business	Registered Capital	Interest (%)
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. Camanor Produtos Marinhos Ltda. Brazil Tel. 55-84-4008-0448	Shrimp farming and primary processing businesses	BR 11,666,667	40.00
9. A.P.P. Enterprise, Inc. Tel. 63-45-963-6510	Property lease-out	PHP 5,000	39.60
10. CP All Plc. 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	34.10
11. Well Well Invest S.A. Poland	Investment in plant-based business	PLN 5,079,672	33.33
12. CP-MP Logistics Joint Stock Co. Ltd. Vietnam Tel. 28-363-66471	Logistic provider	VND 5,900,000,000	32.43
13. Siam Rivea Co., Ltd. Bangkok, Thailand	Restaurant	THB 120,000,000	29.99
14. Rosleko sp. Z o.o. Poland	Manufacturing and distribution plant-based dairy products	PLN 10,000	26.67
15. Chia Tai Conti (Cixi) Investment Management Ltd. China	Provision of consulting service on economic and trade	RMB 3,000,000	26.12
16. Conti Chia Tai International Ltd. Hong Kong Tel. 852-282-36171	Investment	HKD 3,122,000	26.12
17. 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
18. Nava 84 Co., Ltd. Bangkok, Thailand	Investment in economic crop plantation companies in Thailand	THB 1,500,000,000	25.00
19. Cixi Zhudu Investment Management Center (Ltd. Partnership) China	Investment	RMB 9,995,000	23.77
20. Feng Sheng Livestock Co., Ltd. Republic of China (Taiwan)	Production and sale of poultry	NTD 600,000,000	19.51
21. Chai Tai Investment Co., Ltd. China	Investment and trading	RMB 415,872.2926	18.28
22. Sao Ta Foods Joint Stock Company Vietnam	Production and sale of seafood products	VND 653,888,890,000	16.48
23. BHJ Kalino Food AB Sweden Tel. 46-4620-5260	Trading of chilled and frozen meat and food	SEK 1,000,000	15.08
24. 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

Company	Type of Business	Registered Capital	Interest (%)
25. Kinghill Limited Cayman Islands	Investment in company that manage shopping center,"Super Brand Mall" in China	USD 680,000,000	13.96
26. Chia Tai (Jilin) Co., Ltd. Hong Kong	Investment in livestock feedmill and livestock farming business in China	USD 2,500,000	10.00
27. Siam Makro Plc. Bangkok, Thailand	Wholesale and retail business	THB 5,586,161,750	8.85
28. CPPC Plc. Bangkok, Thailand Tel. 66-2-766-8090	Production and sale of plastic	THB 1,950,000,000	6.58
29. C.P. Land Plc. Bangkok, Thailand Tel. 66-2-766-7000	Property development	THB 3,630,310,000	6.49
30. True Corporation Plc. Bangkok, Thailand Tel. 66-2-643-1111	Information Technology & Communication	THB 133,474,621,856	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% 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 conflice 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 varous 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 debelopment.

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 14, 2022, the latest record date.

	Names	No. of Shares	% Shareholding (before deduction of treasury stock[1])
1.	CPG Group[2] comprises:	4,429,098,680	51.43%
	1.1 CPG[3]	*2,154,464,925*	*25.02%*
	1.2 Jumbo Kingdom Ventures Ltd.[4]	*867,032,116*	*10.07%*
	1.2 Charoen Pokphand Holding Co., Ltd.[5]	*743,660,460*	*8.64%*
	1.4 Orient Success International Ltd.[4]	*120,814,159*	*1.40%*
	1.5 Worth Access Trading Ltd.[4]	*117,342,300*	*1.36%*
	1.6 CPF (Thailand) Plc.[6]	*145,684,000*	*1.69%*
	1.7 CP Foods Capital Ltd.[7]	*120,415,720*	*1.40%*
	1.8 Bangkok Produce Merchandising Plc.[8]	*82,885,000*	*0.96%*
	1.9 Plenty Type Ltd.[7]	*76,800,000*	*0.89%*
2.	Thai NVDR Co., Ltd.[9]	526,459,263	6.11%
3.	Social Security Office	323,122,340	3.75%
	3.1 Social Security Office[10]	*312,989,300*	*3.63%*
	3.3 Social Security Office by Krung Thai Asset Management Plc[10]	*4,937,580*	*0.06%*
	3.2 Social Security Office by One Asset Management Co., Ltd.[10]	*4,282,980*	*0.05%*
	3.4 Social Security Office by UOB Asset Management (Thailand) Co., Ltd.[10]	*912,480*	*0.01%*
4.	STATE STREET EUROPE LIMITED[11]	146,811,617	1.70%
5.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED[11]	131,206,098	1.52%
6.	UBS AG HONG KONG BRANCH[11]	126,755,600	1.47%
7.	Mr. Prinya Tieanworn	106,000,000	1.23%
8.	Vayupak Fund	71,550,600	0.84%
	8.1 Vayupak Fund 1 by MFC Asset Management Plc.[12]	*35,775,300*	*0.42%*
	8.2 Vayupak Fund 1 by Krung Thai Asset Management Plc.[12]	*35,775,300*	*0.42%*
9.	MORGAN STANLEY & CO. INTERNATIONAL PLC[13]	46,500,000	0.54%
10.	GIC PRIVATE LIMITED[11]	43,177,399	0.50%

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

Note

(1) 204,279,800 treasury stock or 2.37% 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 Jaruphnit 8.42%, Mr. Dhanin Chearavanont 6.48%, Mr. Nakul Chiaravanont 6.00%, C.P. Holding (Thailand) Co., Ltd. 4.47%, Mr. Phongthep Chiaravanont 4.26%, Mr. Manas Chiaravanond 4.22%, Mrs. Somsri Lumsam 4.21%, Mr. Nopadol Chiaravanont and Mrs. Nuchanart Chiaravanond 3.00% each.

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

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

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

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

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

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

(10) A Thai government department, contact information: Siam Commercial Bank Plc., Markets Operations Division, 1060 Building 2, 3rd Floor, Phetburi Road, Makkasan, Ratchatawee, Bangkok 10400, Thailand

(11) A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Zone B, Sathorn Nakorn Tower, 14th Floor, North Sathorn Road, Silom, Bangkok 10500, Thailand

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

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

Shareholders agreement which affect securities issuance or operation of the Company and signed by the Company

-None-

1.4 Registered and Paid-up Capital as of December 31, 2021

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, 2021, there were 28 CPF outstanding debentures, totaling principal of THB 137,740 million as prescribed below. All debentures have been rated "A+" with "Stable" outlook by TRIS Rating Co., Ltd. on December 7, 2021.

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 2	4,000.0	Aug. 3, 2012	Aug. 3, 2022	10	Year 1-4 = 4.40% Year 5-9 = 5.00% Year 10 = 6.00%
4. CPF Debenture #2/2012 Series 3*	5,000.0	Aug. 3, 2012	Aug. 3, 2032	20	5.30%
5. CPF Debenture #1/2015 Series 2	5,500.0	May 13, 2015	May 13, 2023	8	3.98%
6. CPF Debenture #2/2015 Series 1	1,940.0	July 29, 2015	July 29, 2023	8	3.97%
7. CPF Debenture #2/2015 Series 2	3,000.0	July 29, 2015	July 29, 2025	10	4.28%
8. CPF Debenture #2/2015 Series 3	2,000.0	July 29, 2015	July 29, 2027	12	4.51%
9. CPF Debenture #1/2016 Series 2	3,500.0	Apr. 12, 2016	Apr. 12, 2024	8	3.11%
10. CPF Debenture #1/2016 Series 3	2,500.0	Apr. 12, 2016	Apr. 12, 2031	15	3.73%
11. CPF Debenture #1/2017**	15,000.0	Mar. 2, 2017	N/A	N/A	Year 1-5 = 5.00% 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
12. CPF Debenture #1/2018 Series 1	5,460.0	Jan. 24, 2018	Jan. 24, 2025	7	3.05%
13. CPF Debenture #1/2018 Series 2	6,540.0	Jan. 24, 2018	Jan. 24, 2028	10	3.60%
14. CPF Debenture #2/2018 Series 2	7,600.0	Nov. 15, 2018	May 15, 2022	3 years 6 months	3.20%
15. CPF Debenture #2/2018 Series 3	2,200.0	Nov. 15, 2018	Nov. 15, 2024	6	3.79%
16. CPF Debenture #2/2018 Series 4	3,200.0	Nov. 15, 2018	Nov. 15, 2028	10	4.41%
17. CPF Debenture #2/2018 Series 5	5,300.0	Nov. 15, 2018	Nov. 15, 2030	12	4.66%
18. CPF Debenture #1/2020 Series 1	8,407.6	Jun. 5, 2020	Jun. 5, 2024	1	3.00%
19. CPF Debenture #1/2020 Series 2	7,164.4	Jun. 5, 2020	Jun. 5, 2024	1	3.00%
20. CPF Debenture #1/2020 Series 3	2,725.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
21. CPF Debenture #1/2020 Series 4	2,643.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
22. CPF Debenture #1/2020 Series 5	940.0	Jun. 5, 2020	Jun. 5, 2032	12	3.75%
23. CPF Debenture #1/2020 Series 6	3,120.0	Jun. 5, 2020	Jun. 5, 2035	15	4.00%
24. CPF Debenture #1/2021 Series 1	13,064.5	Jan. 22, 2021	Jan. 22, 2026	5	2.99%
25. CPF Debenture #1/2021 Series 2	4,028.7	Jan. 22, 2021	Jan. 22, 2028	7	3.15%
26. CPF Debenture #1/2021 Series 3	5,034.4	Jan. 22, 2021	Jan. 22, 2031	10	3.60%
27. CPF Debenture #1/2021 Series 4	5,372.4	Jan. 22, 2021	Jan. 22, 2033	12	3.80%
28. CPF Debenture #1/2021 Series 5	2,500.0	Jan. 22, 2021	Jan. 22, 2023	2	1.75%

* 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, 2021, CPF had outstanding bills of exchange totaling THB 8,500 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, 2021, CPF's dividend income from subsidiaries totaled THB 5,587 million, of which THB 514 million was from subsidiary that are listed in foreign stock exchanges and THB 5,073 million was from subsidiary that are non-listed company.

2. Risk Management

2.1 Risk Management Policy and Plans

The world has been engaged in a rapid and dramatic shift, which will affect business operations due to fluctuation, uncertainty, and complexity. Effective risk management will therefore be one of the key factors that drive the Company to achieve sustainable growth and contribute to appropriate returns to stakeholders.

Risk Management Culture

The Company has continuously fostered risk management culture among employees of all levels, disseminating knowledge, understanding, and raising awareness while also taking into account potential risk as follows:

- The risk management policy was promulgated and communicated to all employees.
- The risk management was integrated to the internal operating process of the organization.
- Risk appetite was determined with risk evaluation criteria that are of the same standard.
- Risk management was incorporated in the organization strategies to ensure adherence and compliance.
- Training was provided to ensure understanding about risk and ability to assess risks in an efficient manner.
- Risk workshop has been jointly conducted between business unit executives and the Risk Management Office on a regular basis.
- Risk management process is provided while the progress of the provision of risk management measures is consistently tracked.
- Risk assessment is comprehensively conducted in large investment projects.
- Key Risk Indicators (KRIs) were determined and monitored the management progress.
- Risk related agenda is promoted to include in monthly meetings of business units.
- Business units are encouraged to share experience in respect to risk management.

CPF's Risk Management Policy

The Company has developed an integrated risk management system with an aim to ensure alignment of risk management guidelines throughout the organization, with extensive coverage to all types of risks, including the environmental, social, and governance or ESG risk, incurred in all operating procedures and to employees of all levels. Concrete implementations were preceded in compliance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission) in order to appropriately and timely identify risks and business opportunities, as well as managing risks into risk appetite in support of sustainable business operations and in compliance with the good governance.

In the risk management, there are committees and departments involved as follows:

- The Audit Committee is delegated by the Board of Directors to review adequacy, efficiency, and compliance with risk management policy and strategies, as well as acceptable risk levels.
- The Executive Committee is responsible for supervising and monitoring key risk statuses, risk management, and promoting organization-wide risk management culture.
- The 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.
- The Risk Management Office is responsible for promoting, disseminating knowledge, as well as rendering recommendations regarding risk management, and also tracking the progress of risk management.
- Business unit executives are directly responsible for risk management within the scope of work that involves their responsibilities and will report the results to the Risk Management Sub-committee.
- The Internal Audit Office is responsible for the evaluation of operation process and rendering suggestions to achieve the development of risk management system.

In this regard, the Company requires a risk assessment on a quarterly basis, or whenever there is a significant change of the environment. The Risk Management Sub-committee will report results of the risk assessment to the Executive

Committee and the Audit Committee, respectively. Moreover, the results will be reported to the Management Committee for further acknowledgement and execution of the stipulated measures.

Risk Management System

The Company's risk management procedures are compiled in the "Risk Management Manual," whereby steps and tools employed are as follows:

1. Identify risks that potentially affect achievements of the Company, both those currently found and emerging risks, and explain the meaning of such risks.
2. Assess risks, both in terms of impacts and likelihoods, based on the criteria stipulated by the Company, which are on the basis of risk appetite.The assessment is run through risk workshops. Assessment results and risk priorities will be presented in a form of Risk Heat Map.
3. Manage risks by identifying and tracking the progress of measures, including duration, responsible persons, key results and budgets required.
4. Structure a warning system in an event there is a risk incident by determining Key Risk Indicators (KRIs).
5. Report the progress of risk management measures and the status of Key Risk Indicators within specified cycles.

2.2 Risk Factors Against the Business

The Company has identified emerging risks, including risks that are currently encountered, which may affect the achievements of the 3-benefits to sustainability and the foundation of a business operation , including identifying potential impact and risk management approaches as provided below.

However, in risk management, there might be certain risks that are beyond control or management capacity, which may precipitate adverse impact to the operations and negative reputation to the Company.

2.2.1 Emerging Risks

(1) Climate variability

Harsh climate conditions have been taking place during the recent years, be they increasingly heated weather, extreme sea-level rise, worsening droughts, more severe forest fire, heat wave, storms, particulate matters, sudden floods, all of which are related to climate change.

It was speculated that the increase of global temperatures will affect agricultural outputs, as well as livestock, which are subjected to a lower quantity. It has been expected that the geographical area to be affected will cover those in Southeast Asia, Central Americas, South Americas, to Africa in the southern part of Sahara Desert, several of which are sources of raw materials and key production bases of the Company. Moreover, it was predicted that every 1 degree Celsius that increases will bring about 7-10% risks of drought or floods. Thus, if there is no preparedness and prevention strategies in place, efficiency in supply chain management will be affected, both in terms of quantities and price of the raw materials, as well as management within livestock farms.

Risk Management

As all know, participating countries in the 26th United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP26) are jointly calling for active reduction of greenhouse gas emissions. CPF has become aware of such issue, thereby operating our business with continued environmentally conscious mind and conforming to the Paris Agreement, the recommendation of Task Force on Climate-related Financial Disclosure (TCFD), as well as monitoring meetings and target determination of Thailand and countries of destination that have been proposed to COP26 for further management as follows:

- Determine targets to reduce the greenhouse gas emissions and consistently track the results;
- Assess impacts on climate change as suggested by TCFD;
- Develop the CPF SHE&En Standard as a key mechanism for management and development of environmental quality to achieve efficiency;

- Develop weather forecast system to ensure its better accuracy and to analyze impacts of natural disasters on agricultural products and acquire raw materials from new production sources in all regions throughout the globe;
- Develop products and production process throughout the supply chain to reduce loss, whether in animal feed raw material production to food production for human consumption, as well as mitigating impacts caused to the environment; for example, animal feed formula that reduce nitrogen emissions from manure;
- Review the selection criteria for locations of farms and manufacturing plants based on geographical and climate changes, as well as ensuring business continuity management plan practice;
- Solve problems by sourcing raw materials on the natural base, which absorbs carbon dioxide from green areas within business establishments, preserve, protect, and restore watershed and mangrove forests;
- Engage all employees in consolidating sustainability through the activity of "Forest in the City" to plant a tree at home, and the activity of "Empty Plate…Save the Planet" by finishing everything on the plate.

(2) Consumers' awareness on environmental protection

Some of consumers become aware of the importance of environmental protection as they prefer purchasing goods that contains less plastic content to reduce food loss and food waste or reduce carbon emissions throughout the supply chain. Therefore, the Company may be subjected to an increasing production cost in conforming to the trend. However, based on the global consumer survey of 2021, it was found that up to 50% of consumers have placed more importance on the environmentally friendly aspect; therefore, the Company may receive reduced sales amount if being unable to execute such commitment.

Risk Management

The Company realizes the importance of environmental protection, thereby committed to actively working on alleviating potential impacts caused by business operations by:

- Sourcing:
  - Execute the Supply Chain ESG Management Approach along with the sustainable sourcing policies and supplier guiding principle;
  - Join as a member of SeaBOS (Seafood Business for Ocean Stewardship), of which the joint intention is to sustainably produce seafoods and protect the ocean;
- Animal husbandry and production:
  - Develop green animal feed innovation to reduce the quantity of nitrogen emissions from livestock manure;
  - Gather farm waste to produce biogas for use as a fuel for electricity generation within farms;
  - Seek ways to reduce excess food and food waste in the production process;
  - Develop low-carbon products and request a certification of the carbon footprint label, global warming reduction labels such as those for broiler feed, live chicken, etc.;
- Promote and develop environmentally friendly packaging such as use of renewable materials from sustainable sources, reusing, increasing the proportion of recycled materials, development of packaging that helps extend a product life, etc.;
- Set goals to reduce the use of paper and plastic in food packaging, including the use of plastic packaging that is qualified for being reused, recycled, or biodegraded.

(3) Demands for higher standard products

Customers and consumers expect and have the need to raise product standards to be higher than the requirements or the laws of the country; for example, Better Chicken Commitment (BCC), which has been signed by several companies in the European region. This must be done accordingly by 2026. There are also calls for more stringent product quality and safety standards, or sustainability regulation for products, etc. The Company may have to comply with the projection in order not to affect sales and the competitiveness.

Risk Management

The Company is committed to upgrading its business operations and meeting the expectations of customers and consumers as follows:

- Promote the natural behaviors of animals and reduce, refrain from, and stop physical changes of the animals;
- Raising animals under the 5 Freedoms, such as free-range laying hens in the chicken house, Sow's crates in group gestation pens, etc.;
- Develop and upgrade the CPF Food Standard to achieve consistency throughout the supply chain;
- Study trends and expectations of the society and consumers continuously for further business operations.

2.2.2 ESG Risks

(1) Water quantity and sufficiency

The year 2021 is a year of the La Niña phenomenon, which caused heavy rainfall in Southeast Asia. Therefore, it is expected that the water quantity will be sufficient for the beginning of 2022 while the Company also assesses water-related risks annually. Based on the volume of water extraction for each business in conjunction with the baseline water stress of the watershed in which the business is located, using the Aqueduct Water Risk Atlas developed by the World Resource Institute (WRI), it was found that 45% of the Company's establishments (except for restaurants that do not use water as the major factor) are located in the areas of water stress.

Risk Management

Having water of sufficient quality and quantity is conducive to animal husbandry and production. The Company therefore manages the water by:

- The site of the establishment is selected on the basis of considering the necessary utility risks according to the criteria set out, as well as reviewing the selection criteria in correspondence with environmental changes;
- Set targets for water usage per production unit on both a yearly and long-term basis; prepare a water management plan, such as planning animal husbandry based on the availability period of water; ensure sources for backup water supply; reserve water supply in advance, etc. Meanwhile, assessment of water usage will be conducted, taking in consideration the targets, analyze and identify rooms for improvements, as well as tracking on water status to provide business continuity plans;
- Develop an efficient farming and production system to reduce water consumption by using the 3Rs principle: Reduce, Reuse and Recycle;
- Listen to opinions of co-users of water and surrounding communities;
- Focus on building, conserving and restoring watershed forests through the implementation of various projects at the Company, the community and the country level.

(2) Human rights in the supply chain

Seven salient human rights issues include work conditions, health and safety of employees and communities, personal data, illegal labor (e.g., child labor, forced labor, migrant labor) in the supply chain, health and safety of business partners and contractors, including the standard of living and community safety in the supply chain. Amidst such risks, the Company is required to determine and continually implement measures to prevent and mitigate potential impacts on business operations and reputation of the Company.

Risk Management

The Company has a human rights management approach that is in compliance with the requirements of the International Labor Organization, United Nations Agreement, and the United Nations Guidelines on Business Operations and Human Rights as follows:

- Cascade the implementation of policies, practices, and statements, including communicating and tracking the progress of actions taken; for example, Human Rights Policy, Corporate Governance and Sustainable Development Policy, Sustainable Sourcing Policy for Business Partners, Occupational Health, Safety,

Environment and Energy Policy, Employment and Labor Management Policy, Personal Data Protection Policy, Statement of Slavery and Human Trafficking, etc.;

- Develop a surveillance process and ensure comprehensive human rights due diligence throughout the supply chain, which also extend to all groups such as diverse group, a racially and religiously invulnerable group, people with physical disabilities, children, etc.;
- Educate employees and workers, both Thais and migrants, on human rights, labor rights, labor laws, health and safety in the workplace, basic governance including business ethics, and define mechanisms for complaint;
- Collaborate with the Labor Protection Network Foundation to establish the Labor Voice Hotlines by LPN to provide all employees with channels to voice their opinions, suggestions, complaints or inquiries.

(3) Occupational health and safety risk

Safety and occupational health of personnel are the most crucial issue in business operations. As the Company houses a large number of employees with diversity in terms of knowledge, education, society and ethnicity with diverse work characteristics throughout the supply chain, the Company has continuously dedicated all its efforts to finding ways to prevent work-related accidents. However, incidents that cause accidents can still happen.

Risk Management

Company's safety and occupational health operations extend to employees, contractors providing services for the Company, communities in the proximity, and all stakeholders; therefore, management system has been set out as follows:

- Continuously develop the Occupational Health, Safety, Environment, and Energy Policy, including providing Standard Operating Procedures (SOP) for high-risk works such as work in confined spaces, heat-related work, work at height, work with electricity, etc., as well as reviewing the operating results on the annual basis to improve security measures and preparing to ensure better protection;
- Requires consideration on safety, occupational health, environmental, and energy risks in project investments;
- Build a culture by fostering leadership of understanding roles, duties while also setting a good role model, as well as motivating personnel through awards, offering opportunities to exchange knowledge, to share experience, and organizing exhibitions to strengthen safety-oriented behaviors;
- There is the Office of Safety, Occupational Health, Environment and Energy that gathers experts from the central office to provide consults for safety officers of business units, as well as to cooperate in driving work on safety and occupational health;
- Analyze hazards and define measures to contain potential hazards;
- Organize training on how to primarily aid an injured person; improve working environment and ensure preparedness of personnel and equipment in response to emergencies;
- There is a policy and process for employees and contractors to cease other people's work, or refuse to perform work, including reporting potential risks and hazards (Near Miss Report) when detecting an incident or unsafe work conditions;
- Surveil the occurrence of risk events during work and set goals to reduce the loss time injury frequency rate.

(4) Corruption

The Company signed a declaration of intent with the Thai Private Sector Collective Action Against Corruption (CAC) by cooperating with the public, private sectors and regulators to establish standards for transparent business operations. It has been certified continuously and, in 2021, the Company also received the CAC Change Agent award for its focus on expanding transparent business networks to partners by encouraging business partners to join CAC in the SME certification program.

However, the Company still has to ensure that the work of personnel, on behalf of the Company, has been carried out on the basis of accuracy, transparency and is free from corruption that potentially leads to prosecution and reputational damage.

Risk Management

The Company expects that its operations will never be involved in any form of corruption in order to comply with the corporate governance principles adhered to by the Company, and for the benefit of employees and their families as follows:

- Announce policies and procedures such as Anti-Corruption Policy, Corporate Governance and Sustainable Development Policy, Rules and Requirements for Accepting Gifts, Reimbursement of Hospitality Expense, Charitable Payments, etc., and continually communicate appropriate practices through Company's internal channels, especially during annual festivals;
- Create an atmosphere that does not tolerate corruption; design a reimbursement process and audit systems adequately and concisely;
- Organize training for all employees and workers to raise awareness of anti-corruption. This is considered part of the basic corporate governance curriculum that employees are required to learn;
- Specify the scope of work, roles, duties and responsibilities of each department that needs to coordinate with government bodies;
- Study work systems of the agencies with which one needs to contact and design a workflow that covers work process of the Company and related government bodies in order to ensure that workers have acknowledged the workflow and required documents, as well as work duration;
- Assess risks arising from the inability to comply with the requirements of government agencies and set out management guidelines;
- Audit and review the operation based on the operating procedures by the Internal Audit Office;
- Activate various channels for lodgment of suspected incidents, clues, or filing of suggestions, including applying process of investigation undertaken by the related committee.

(5) Risk from pandemic in humans

The viral mutation has allowed COVID-19 to continue to evolve, with varying degrees of severity from country to country. Although there has been an accelerated vaccination protocol for the people, we continue to see new cluster infections, resulting in various countries announcing to lock down some cities or the entire country at certain times. There has been issuance of regulations or calls for strict cooperation from all sectors to prevent the spread of germs.

The pandemic situation that has been severe and continued for more than 2 years with no clarity when it will end will affect Company's business operations in parts of raw material procurement, production, personnel management, warehouse and transportation management. For partners or customers of the Company, they have also been affected as they were restricted in terms of sales channels and distribution period. For consumers, who are the general public, they need to shift their lifestyle. Therefore, alongside assisting the society and stakeholders, monitoring and assessing the on-going pandemic while also surveilling and improving business practices in such situations are essential to building consumer confidence, which will lead to sales opportunities.

Risk Management

The Company aims at highlighting its strengths in production of safe products, its emphasis on personnel morale, as well as continuously aiding all stakeholders to alleviate impacts caused as follows:

- Follow up, assess the situation, impacts and consider the management approach, all of which will be carried out by the Management Committee COVID-19 and the Center for the Prevention of COVID-19 Infection at the Company level, with sub-centers at the business unit level to perform tasks assigned;
- Consistently communicate to establish understanding and raise awareness of disease prevention to personnel;

- Boost employee morale by announcing employee care policies such as non-termination policy, employee aid provision in accordance with stipulated criteria, provision of food aid to personnel who need to undergo a quarantine, as well as setting up a hotline to render advice to employees, etc. ;
- Raise the level of employee safety to the highest degree during outbreaks. For example:
  - Implementation of the Work from Home (WFH) policy for provinces declared by the government to be the most restrictive and strict areas;
  - For work that by nature cannot be performed at home, the Company has arranged accommodation for personnel in order to reduce travel to areas that are prone to potential risks of infections. This can ensure continuous work and earnings for the employees;
- Encourage personnel to receive vaccinations; acquire vaccines and ensure vaccinations of all employees;
- Coordinate with contracted hospitals for admissions of infected employees, as well as establishing field hospitals;
- Consider investments to suit the situation and necessity;
- Develop a supply chain management plan in terms of increasing production volumes, backing up materials necessary for production, transportation planning to ensure conformity to the needs of customers and consumers;
- Providing assistance for third parties through the CPF project 'Food from the Heart against COVID-19'.

(6) Risks from disputes with communities

The Company co-uses utilities and resources with communities located around its establishments. This can contribute to different types of pollution such as dust, odors, waste or noise, resulting in conflicts with the surrounding communities, affecting reputation, business continuity, or incurring costs of dispute handling.

Risk Management

Running a business that is acceptable by the community will create sustainability for the Company. Therefore, actions have been taken to create knowledge, understanding and participation, which will lead to being part of the community as follows:

- Set a goal where all establishments are required to reduce their use of resources per unit of production, and actively track the outcomes;
- New establishments:
  - A new establish must be located on an area that is distant from a community or city, but still conform to the Company's specified criteria;
  - The Company will conduct field visits to provide information about the business to be operated and listen to opinions of the community;
  - The Company will comprehensively assess investment project risks before submitting the investment project for approval;
  - The Company will design a building or house barn based on the principle of a green factory or farm, taking into account the environment, communities in the proximity and biodiversity of the area.
- Current business establishments:
  - Implement a standardized management system in business operations as well as monitoring the effectiveness of the operation;
  - Set up a warning system to prevent and monitor potential errors;
  - Follow up on situations that may cause disputes with the community;
  - Visit the area to discuss issues of concern with the community, identify community impacts and set management guidelines;
  - Develop a community complaint management system;
  - Prepare contingency plans in case of incidents that affect the community;

- Provide support to communities, e.g., drought relief by sharing treated water from biogas production systems as fertilizer; share of knowledge on sustainable agriculture; support agricultural products that are components of food production acquired from farmers in the area.

(7) Risk from high debt burdens from acquisitions and investments

As of December 31, 2021, the Company has interest-bearing liabilities of THB 464,617 million, of which THB 365,117 million is fixed-rate loans, representing 79% of total interest-bearing liabilities. The Company's Debt to Equity Ratio[7] was at 1.35 times, which was close to that of the previous year that was at 1.22 times. The ratio of net interest bearing debt to equity is at a level lower than the terms of the debentures.

In addition, in March 2020, the Board of Directors passed a resolution to approve C.P. Merchandising Company Limited ("CPM"), a wholly-owned subsidiary of the Company to invest in obtaining shares or economic interest in the proportion of not more than 20% of the total issued shares of (a) Tesco Stores (Thailand) Company Limited ("Tesco Thailand"), which holds shares in the proportion of 99.99% in Ek-chai Distribution System Co., Ltd., a retailer under the Tesco Lotus trademark in Thailand, and (b) Tesco Stores (Malaysia) Sdn. Bhd. ("Tesco Malaysia"), which operates a retail business under the Tesco trademark in Malaysia (hereinafter Tesco Thailand and Tesco Malaysia, collectively referred to as "Tesco Asia"). CPM's investment will be an indirect investment through a special purpose juristic person established for the investment, namely C.P. Retail Holding Company Limited ("Holding Company"), which is a wholly owned shareholder of C.P. Retail Development Company Limited. CPM's investment in Holding Company for the Tesco Asia investment transaction is approximately THB 40,973 million.

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

Risk Management

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

As of December 31, 2020, net debt to equity ratio was not higher than 1.22 times.

As of December 31, 2021, net debt to equity ratio was not higher than 1.35 times.

2.2.3 Strategic risks

(1) Shifting consumer behaviors

The spread of the COVID-19 infectious disease continues to be a major catalyst for many trends such as working from home, online seminars and conferences, etc., along with the trend of consumption of environmentally friendly products, reducing greenhouse gas emissions throughout the process and healthy food consumption trends. These trends are challenges that CPF needs to take into analysis to develop products and services in response to the changes that occur. Therefore, it is a challenge that must be accelerated to create new opportunities for business.

Risk Management

The Company has adapted to consumer behaviors that shift in line with the environment and the society by taking the following actions:

- Study and conduct research on food innovations with experts to conform to the behavioral trends;
- Set new product development indicators that focus on nutrition, health and wellness;
- Develop food concepts to meet consumer needs. For example:

[7] *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.*

- Innovation and wellness food and beverages such as Cheeva pork, innovative plant-based meat;
- A ready-to-eat food cluster to respond to the hustle and bustle of the urban society and attention to cleanliness and safety such as 3-color salad;
- A fresh destination meat cluster, which is meat that focuses on freshness, cleanliness, safety, traceability;

- Develop ready meal products that reduce the amount of sodium and saturated fat;
- Develop innovations in animal husbandry and environmentally friendly production, including the wellness of animals themselves, such as the development of recipes that reduce the use of protein ingredients while improving the digestive efficiency of animals, raising the promotion of animal welfare throughout the supply chain, developing eco-friendly packaging that is suitable for each product;
- Increase marketing communication channels through various media, especially on social networks, points of sale or while delivering products.

(2) Investment and performance

During the past 2 years the global economy has slowed down a lot comparing to the pre-COVID-19 period, hence the Company has to face the risk that the return on investment may not meet the target. Therefore, caution must be exercised when investing, and closely monitoring the performance. However, the Company continues to focus on growing its business by expanding its own investment and merges businesses related to agro-industry and food, both domestically and internationally. In 2021, the Company will continue to earn more than 63% of its total sales revenue from overseas operations.

Risk Management

The Company has set rules, guidelines for considering investment projects and follows up on the performance as follows:

- Pre-Investment Decision: Consider the alignment of investment objectives with company goals, study law and business environment, formulate comprehensive due diligence for offshore investment projects, and assess investment project risks;
- Post-Investment Decision: Follow up on performance through specified cycle indicators. In the event that the performance does not meet the goals, responsible executives must present any problems encountered and management guidelines.

2.2.4 Operational risks

(1) Product quality and safety

Consumers still prefer having food to help maintain their health and strengthen the body's immune system with least additives or chemical substances added throughout the supply chain, to reduce potential effects of diet as well as focusing on purchasing products from reliable and traceable source, to boost confidence in consumption; therefore, the products sold must be of quality and safe in accordance with the Company's standard and comply with food law requirements of the destination country.

Risk Management

The Company adopts the "One Health" principle, which consists of the health of people, animals and the environment in product development throughout the supply chain so that consumers can have healthy food produced from meat of animals that are raised according to the animal welfare principles as follows:

- Comply with the Global Vision on Antimicrobial Use in animals, Quality Policy and Traceability Policy;
- Farm management:
  - Livestock business in every country, both Company's animal farms and farmers in the farming promotion program can primarily use antibiotics for treatment, by choosing only antibiotics dedicated for animals and operating under the supervision of a veterinarian;

- Promote animal welfare along with the efficiency of farming per area without using hormones to accelerate growth;

- Manufacturing:
  - Research and develop products to be nutritious and flavorful, as well as developing effective packaging to protect food products and ensure safety;
  - Apply technology and international standards in the production process to help reduce contamination therein and increase production efficiency as well as developing the CPF Food Standard to place the same system throughout the supply chain;
  - Examine raw materials and products in food laboratories that are certified according to international standards;
  - Review and follow up on the collection of Key Risk Indicators (KRIs) ;
  - Communicate clear and sufficient product information through the media and on the product labels;
  - Practice and review the Product Recall Plan to support any event where a critical product problem is detected;
- Develop a digital traceability system so that consumers know the source of the product they are considering;
- Listen to opinions and receive consumer complaints through various channels as well as setting handling time based on the severity of the incident.

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

The global livestock industry continues to be affected by outbreaks of both terrestrial and aquatic diseases, such as African Swine Fever (ASF), Enterocytozoon Hepatopenaei (EHP), and Early Mortality Syndrome (EMS), causing impacts on the efficiency of animal raising and the produced animal population. Moreover, there was also Avian Influenza (AI), which is an animal epidemic that can be transmitted to humans.

An outbreak, whether of any kind, will affect the efficiency of animal raising, animal populations, and may affect the export of goods while also contributing to purchase delay.

Risk Management

The Company has studied factors that lead to success in animal husbandry and continually develops knowledge to ensure wellness of all animals as follows:

- Develop a healthy breed that suits the environment and in accordance with the basic principles of genetics;
- Develop animal feeds that are nutritious, suitable for the needs of each animal species and age range, as well as using probiotics and prebiotics in animal feeds to boost the digestive system and strengthen the animal's body;
- Determine farm locations based on risk management, green farms, animal welfare, and biosecurity management;
- Develop a warning system for disease outbreaks. This allows operators to upgrade their protection in a timely manner;
- Follow updates of the disease, as well as researching the factors of disease and disease prevention by conveying information to stakeholders, e.g., animal husbandman, fishermen, farm managers, workers and transporters;
- Remote audit conducted by customers and third parties to reduce potential exposure to contamination;
- Educate farmers around Company's farms and promoted agricultural farms under the project to enhance knowledge and understanding regarding the disease and prevention guidelines;
- Collaborate with government agencies and the industry sector to render opinions and support the operations;
- Review and conduct management plan practice in preparation for epidemic crisis situations.

(3) Supply chain management efficiency

The Company's supply chain covers the production of animal feed, animal husbandry, food production for consumption through the delivery of products to consumers. These are related to personnel and various processes. If the Company is unable to educate and establish understanding for personnel as well as ensuring efficiency of work procedures, it will affect costs, performance, and competitiveness of the Company.

Risk Management

The Company realizes the importance of improving efficiency, along with running a business that is environmentally friendly, which responds to expectations of the society, community and stakeholders as follows:

- Cooperation with farmers and business partners
  - Conduct an assessment on business partners in terms of quality and safety of raw materials, labor, human rights, safety, occupational health and the environment, which may affect the business continuity within the supply chain.
  - Determine indicators for the procurement of raw materials from responsible production sites.
  - Establish a traceability system for major agricultural raw materials such as corn, fish meal, soybean meal, cassava and palm oil.
  - Collaborate with the government and the industry sector to develop standards and partner tracking system to drive sustainability in raw material sources.
- Internal management
  - Develop sustainable use of raw materials by focusing on the balance of the cost-effective use of raw materials to bring the maximum benefit.
  - Integrate technology in the production process, animal husbandry, transportation and sales to maintain the quality and safety of goods, minimize wastage throughout the process and support work.
  - Improve production processes to reduce production time and activate a longer shelf life.
  - Render advice to customers regarding the process of product storage through to the distribution to consumers to maintain quality and safety.

(4) Commodity price volatility

A. Volatility in the price of raw materials used in animal feed production

In 2021, there were severe droughts, storms and floods around the world that have affected the quantities of feedstock produced. In addition, major animal husbandry and food production countries have increased their imports, causing the price of animal feed ingredients to rise. As for feed raw materials such as corn, which the Company focuses on using domestic yields, its price is also higher due to the reduction of arable land while farmers were subjected to higher fertilizer costs. As a result, the overall price of feed ingredients increased compared to that of the previous year.

For 2020-2021, the average prices of raw materials used in the production of animal feed in the country are as follows:

Unit: (THB/Kilogram)

Type of Raw Materials	Average Domestic Price	
	2020	2021
Corn	9.0	10.0
Soybean meal	14.8	19.5
Fish meal	29.5	35.8

Risk Management

The feed business is considered an upstream business in the supply chain. Therefore, the Company has managed the cost of raw materials for feed production in order to have a competitive cost as follows:

- Stay up to date with factors that may affect prices, such as government policies, tax rates, freight rates, oil prices, updates on industry competitors, disasters or natural events;

- Procure raw materials from new production sources and analyze the quantity of demands to plan purchases in advance, especially during the harvesting season;
- Promote cultivation knowledge among farmers to ensure they can optimize both quality and yields per rai;
- Prioritize purchasing raw materials from domestic sources. If domestic supply is insufficient or lack quality, procure more from abroad;
- Study and conduct research on alternative raw materials by using locally available ones as alternative ingredients;
- Manage raw material inventory to ensure efficiency and sufficiency for storage.

b. Volatility in prices of live animals and meat products

The price situation of swine, broiler, layer chicken, duck, shrimp and fish remained volatile. This is due to the fluctuating epidemic situation of COVID-19 which still affects the demand for products and meat production. As it poses impacts on the price of meat products, the Company needs to manage the situation in order to minimize such impacts on operating results.

Risk Management

Although the volatility of the selling price of live animals and primary processed meat is a frequent occurrence of imbalances in supply and demand in the market, the Company aims to take action to reduce the impacts as follows:

- Analyze past data, study the business cycle of each animal species, consider the expansion trend of the Company in the industry, animal disease outbreak, and demands to create investment, animal husbandry, and production plans;
- Develop products to achieve outstanding and distinctive features and be different from those of market competitors, as well as developing value-added products such as Benja Chicken, Cheeva Pork, Chicken Ribs, etc.;
- Drive sales of processed meat products and ready meals;
- Analyze the market to identify new customers or target countries;
- Prepare a backup plan for farming, production, marketing and sales in an event where the selling price fluctuates.

(5) Higher shipping costs

From the COVID-19 situation through to labor shortages at the ports of the destination country, together with more stringent inspection measures applied to imported goods, these have caused marine traffic congestion on the main routes such as the United States and the European Union. Transit durations are therefore increased due to longer waiting times for offloads, causing shortages of containers and ships to meet the needs for international shipping. In addition, the price of oil has increased due to higher demands, thus affecting all types of transport. Based on such issues, it becomes a challenge for the Company to manage both the cost of transportation and time for the delivery of goods, and to fulfill the agreements settled with customers.

Risk Management

The Company pays attention to proper cost management in order to maintain competitiveness as follows:

- Assess the situation for transportation planning;
- Coordinate with shipping companies to reserve containers and negotiate the cost of transportation;
- Integrate the Transportation Management System (TMS) in planning transportation routes and adequate capacity of transport vehicles, resulting in reduced costs for both transportation and fuel expenses;
- Identify and monitor key indicators for logistics management efficiency.

(6) Cyber risks

The Company employs technology in managing data to enhance business competitiveness and help facilitate the shifting work styles during the COVID-19 pandemic, such as work from home, online meetings, etc. These may provide more channels for easier access to systems and information. However, at the same time, it may also bring about rooms for attacks. If a third party is able to access the system or disclose Company's information to the public, it potentially affects competitiveness, business continuity, corporate reputation, and possibly leads to litigations.

Risk Management

The Company operates its business while also ensuring the security of work system and crucial information as follows:

- Comply with policy and standard for information security;
- Conduct an information classification for each department and organize training on principles and practices.
- Use the Security Operation Center (SOC) service for surveillance and protect the work system from unauthorized access;
- Collaborate with external consulting firms to verify the security system;
- Communicate appropriate practices and raise awareness among employees of the Company about the use of the system information management including when there are malware outbreaks or phishing emails;
- Provide a back up site to accommodate crucial work systems;
- Practice the Disaster Recovery Plan (DRP) together with the Business Continuity Plan (BCP).

(7) Personnel management to support future business growth

The Company has continuously applied technology to raise the standard of farming and production, as well as foreseeing the tendency of increasing shortage of working-age personnel. This becomes a challenge as the Company needs to improve employee attitudes towards work style changes and ensure they are ready to develop their skills to keep up with the evolving technology, as well as being able to work with machines, equipment or technologies effectively. If personnel do not understand or are not adjustable to changes, it will affect business operations and Company's long-term goals.

Risk Management

The Company has guidelines for recruiting and developing personnel's abilities in accordance with business goals as follows:

- Recruitment and selection
  - Proactively recruited and selected through labor networks in both public and private sectors;
  - Recruited using internationally recognized tools such as the Personality and Ability Test, TOEIC, etc., as well as using the Assessment Center to measure applicants' qualifications in a comprehensive manner;
  - Organize business game as an effective means to discover outstanding candidates;
- Skills and Abilities Development
  - Promote an innovative corporate culture, make employees accustomed to improvement, changes, or innovations;
  - Promote a participatory working culture that encourages active thinking, assertiveness, and open-minded attitudes;
  - Develop a leadership framework and competency to reskill, upskill, and increase new skill;
  - Grant scholarships to enhance opportunities for knowledge development at the bachelor's and master's level to potential employees;
  - Select employees with impressive potentials to join the program to create opportunities for self and business development;
  - Share experiences with executives or external guest speakers that possess specific expertise.

(8) Shortage of production labor

During the COVID-19 situation, there is a huge labor shortage in the industry as some workers return to their countries. In addition, Thailand has implemented a lockdown measure from time to time, resulting in obstacles to importing migrant workers. Moreover, exposure to infections during work became a huge concern of Thai workers, they hence decided to take leave or resign, which affected the production and delivery of products to customers.

Risk Management

The Company integrates the use of technology with human labors throughout the production process and goods delivery with management approaches as follows:

- Strengthen confidence of workers who are concerned with being infected within the workplace by communicating company guidelines, benefits for workers as well as listening to opinions for further improvement;
- Develop workers' skills to ensure they are capable of working in diverse fields;
- Increase work hours in accordance with sales demands, labor laws, customer requirements and the needs of workers;
- Negotiate with customers regarding product types, quantity to deliver, and the desired delivery date in a clear manner to effectively plan for the production and delivery process;
- Plan to enhance the use of automated systems in the work process;
- Follow up on the progress and well prepare to comply with the government policy on importing labor.

2.2.5 Financial market volatility

During 2021, the COVID-19 crisis has continued to be intense throughout the world. Although governments of all countries have accelerated the rollout of COVID-19 vaccination, many of them are still being bombarded by a large number of positive cases, which required the governments to apply lockdown measures to tackle the spread. Due to that reason, economic activities of many countries have been slowed down while income and purchasing power of consumers also declined. As the global economy still cannot find its way to recover, the countries maintain accommodative monetary policy to support their economic growth; for example, the Federal Reserve Bank of the United States and the Bank of Thailand have kept the interest rate policy unchanged.

For Thailand, due to the number of COVID-19 cases that became increased again since March 2021, coupled with the political uncertainty, the baht currency remained volatile. However, as the Bank of Thailand maintains an accommodative monetary policy and has issued various financial measures through commercial banks to help entrepreneurs affected by the COVID-19 pandemic, the entrepreneurs are subjected to low cost of borrowing/funding.

In this regard, the Company's revenue was in foreign currencies, including revenue from sale of overseas businesses, revenue from export of goods of businesses in Thailand, as well as dividends from investment, etc. In addition to its revenue, the Company also had its expenditure in foreign currencies incurred from the purchasing of raw materials for production process, import of consumables, machines and some parts of equipment, including expenditure for foreign investment while some parts of loans were in foreign currencies. Thus, the Company needed to manage its revenue and expenditure properly, including managing the cost of borrowing to reduce the above-mentioned impacts. In 2021, CPF and its subsidiaries in Thailand had the total value of export of goods, amounted to THB 29,141 million or equal to 6% of the total sales revenue, and had the value of import of raw materials amounted to THB 24,870 million or equal to 6% of the total cost of sale.

With regard to the management of interest burden, as of December 31, 2021, the Company had the net debt to equity ratio[/8] of 1.35 times; whereas in the total amount of debts, some parts thereof were incurred from the borrowing from financial institutions and issuing of financial instruments, all of which resulted in expenses in a form of an interest expense. It was predicted that the foreign exchange rate and interest rates would continue to fluctuate according to the global economic

[/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.*

conditions and the economy of Thailand. Therefore, the Company has to consider funding alternatives, compensation payout patterns or periods required for funding in order to manage interest expense at a proper level and in accordance with the Company's policy.

Risk Management

The Company has determined its policy on foreign exchange risk management with emphasis on non-profit making, including diversification of risks from the receipt of and expenditure in foreign currencies to multiple international currencies, as well as balances revenue and expenditure in foreign currencies (natural hedge). Regarding the management of interest rates, the Company would borrow money mostly with the fixed interest rates, which enable the Company to realize the expenses actually incurred. However, the Company also borrowed money with the floating interest rates. As of December 31, 2021, the Company's business loans with the floating interest rates, amounted to THB 99,500 million or equal to 21% of the total amount of loans. In case the interest rates increased by 1%, the Company would have additional burden of interest expense amounted to THB 995 million. Moreover, the Company has also determined its policy on the net debt to equity ratio in accordance with the consolidated financial statements and has strictly complied with the said policy. The Company has placed emphasis on prudent decision-making, and therefore assigned the Accounting and Finance Department to monitor the interest rates and to collect and analyze data from reliable sources; provided that the Committee or authorized person shall be obliged to make decision on any alternatives; and such obligations have been clearly determined in the financial policies and procedures.

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

2.2.6 Legal risk and trade barriers

The Company has placed high importance on legal practice. However, the government has promulgated amendments to existing laws and enacted new law in a rapid and active manner during the recent years. The Company also expected that, in the near future, more new laws shall be enforced, e.g., those related to climate change and the environment while several existing laws and regulations shall be outdated, or no longer necessary. The Company may then need to bear costs, lose business opportunities and may be fined from inconsistent practice due to misinterpretation or errors in the operations.

Barriers to trade practice continue to emerge in a variety of forms; for instance, manufacturers are required to comply with the standards that are specific to the importing country; higher standards on goods quality and safety inspection, and carbon tax legislation are in place, etc. In addition, the destination countries have plans to enact more laws, resulting in a possible increase of the management cost throughout the supply chain and an impact on competitiveness.

Risk Management

Complying with the laws and the regulations of the regulatory bodies and destination countries is considered a fundamental practice of the Company. In this regard, the Company has defined roles, duties and responsibilities based on departments as follows:

- Directly responsible department:
  - Keep updated on changes or newly executed laws that are within the scope of duties assigned;
  - Analyze the situation, assess risks arising from inconsistent practices and set guidelines for actions to be taken;
  - Update policies, regulations and work processes accordingly;
- Monitoring departments or internal audit
  - Establish a compliance inventory by compiling laws and regulations, company policies and rules, important contract documents, licenses and approvals, and standards that the Company has been certified for;
  - Conduct a self-compliance survey;

- To act as a consultant, render advice and coordinate with external consulting firms to assist the responsible departments in planning the implementation and give in-depth opinions;
- Follow up on and audit the operations of the departments that are directly responsible.

2.2.7 Corporate Image and Reputational Risks

Social media gives users the freedom to write messages, forward information and express their opinions. There is a system to process interest of users and display relevant information, including a system to remind users of messages they wrote in the past. As a result, such messages may be endlessly accessible, and, therefore, if any incorrect information about the Company appears on social media, it could be incessantly spread and affect the Company's image and reputation.

Risk Management

The Company believes in compliance with the principles of good corporate governance that will enable sustainable business growth, thereby focusing on performing business as follows:

- Develop work processes in accordance with the law and suitable for current business operations;
- Actively communicate about Company's business operations and open channels to receive stakeholders' inquiries;
- Assess stakeholder needs and expectations by analyzing key issues and make a management plan;
- Establish a unit to be responsible for monitoring news on social media, notifying the relevant executives for acknowledgement, responding to the news and setting crisis communication plan;
- Determine Key Risk Indicators (KRIs) as well as incident management guidelines.

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

As of March 14, 2022, Charoen Pokphand Group Co., Ltd. and its subsidiaries held CPF shares for 46.49% of the total issued shares of CPF. Therefore, an agenda item required by law or regulation to receive votes for not less than three-fourths of the total number of votes of the shareholders who attend the meeting and have the rights to vote may not pass a resolution in case Charoen Pokphand Group Co., Ltd. and its subsidiaries choose not to vote for or against such proposed agenda item.

Risk Management

The Company and the Board of Directors are committed to treating all shareholders 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.

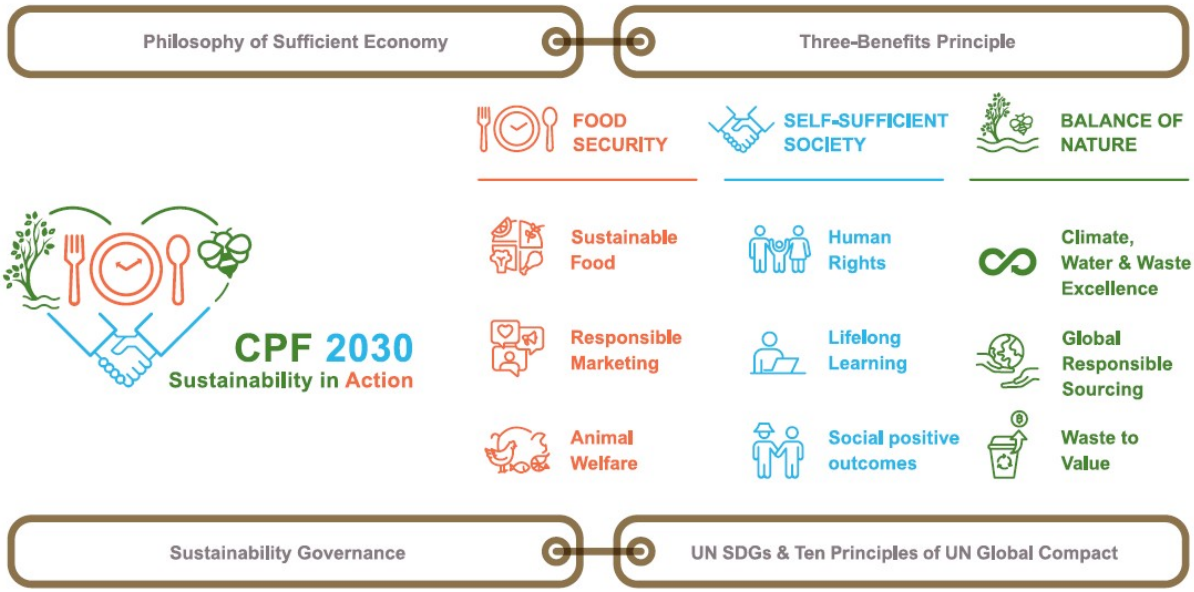
In the invitation letter to the shareholders' meeting, adequate and appropriate opinions of the Board of Directors will be given. Thus, acknowledging the opinions of the Board on the said item, the shareholders can use such opinions as a basis for further decision-making. According to this procedure, 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

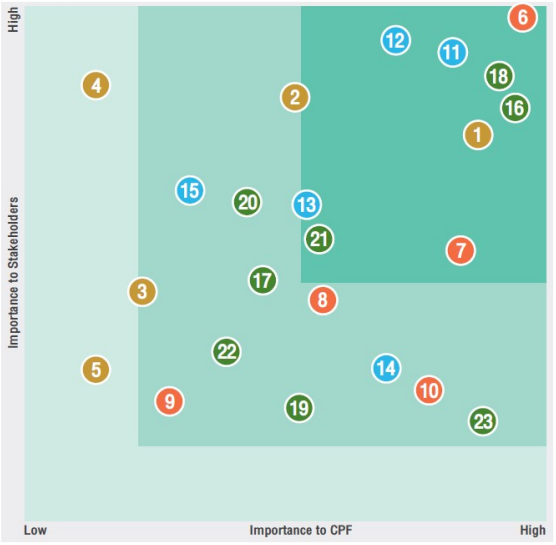
3.1 Sustainability Policy and Goal

After achieving sustainable development goals in 2020, Charoen Pokphand Foods Public Company Limited or "CPF" formulated CPF 2030 Sustainability in Action Strategy to be in line with a rapidly changing global situation. For the new era, CPF has adopted the Decade of Action set by the United Nations in conjunction withthe Philosophy of Sufficiency Economy and the Three-Benefit (the Country, the People, and the Company) to develop the CPF 2030 Sustainability Strategy symbol to represent the three pillars of CPF's sustainability strategy including "Food Security, Self-Sufficiency Society, and Balance of Nature". The symbols of these three pillars are encapsulated in a heart frame to demonstrate our commitment on propelling sustainability through science, technology and innovation for creating value to society and restoring balance of natural resources; soil, water, and forests, all of which are the beginning points of food production. CPF has also adhered to the principles of good corporate governance to ensure happiness of consumers, employees, business partners and communities, along with sustainable environmental stewardship, while completely supports the 17 United Nations Sustainable Development Goals (UN SDGs) and the 10 principles of the United Nations Compact (UN Global Compact).



To ensure our management of sustainability's efficiency and effectiveness, CPF therefore annually reviews and assesses sustainability issues covering significant opportunities and risks in economic, social and environmental dimensions. The implementations on these matters are on the basis of the four key principles of the Global Reporting Initiatives (GRI) comprising sustainability context, materiality, completeness, and stakeholder inclusiveness. CPF then summarizes the results of the assessment on issues concerned by the stakeholders and economic, environmental and social issues that might be impacted by CPF's business in 2021, as follows:

Materiality Boundary



AMBITIONS	MATERIAL ISSUES	BOUNDARY: CPF Operations: 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	●	●	●	●	●		●	●
FOOD SECURITY – Responsible Marketing	8. Health and Nutrition	●	●	●	●	●		●	●
	9. Responsible Marketing and Product Labelling					●		●	●
FOOD SECURITY – Animal Welfare	10. Animal Welfare				●				●
SELF-SUFFICIENT SOCIETY – Human Rights	11. Human Rights and Labor Practices	●	●	●	●	●	●	●	●
	12. Employee Wellbeing, Health and Safety		●	●	●	●	●		
SELF-SUFFICIENT SOCIETY – Lifelong Learning	13. Organisational Culture and Management			●	●	●			
	14. Talent Management			●	●	●			
SELF-SUFFICIENT SOCIETY – 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			●	●	●		●	
BALANCE OF NATURE – Responsible Sourcing for the Planet	20. Responsible Sourcing	●	●	●	●	●			
	21. Biodiversity and Ecosystems	●	●	●	●	●	●	●	●
BALANCE OF NATURE – Waste to Value	22. Circular Economy and Packaging			●	●	●		●	●
	23. Food Loss and Waste				●	●	●	●	●

Integrating the stakeholders and CPF's views and expectations as mentioned above helps reinforce confidence in the implementations according to the CPF 2030 Sustainability in Action which includes 9 commitments under the three pillars: **Food Security, Self-Sufficient Society, and Balance of Nature.** All of these are considered the scopes of CPF's long-term sustainability performance, which shall be carried out in parallel with the continuous review and improvement of management practices to ensure the achievement of CPF's goals those are in alignment with the stakeholder expectations as well as accommodate current and future challenges.



CPF supports the 17 United Nations Sustainable Development Goals (UN SDGs)

CPF 2030 Sustainability Goals Governance Structure

The implementations of sustainability are led by the Chief Executive Officer. CPF clearly establishes executives and working groups or executives responsible for each commitment to carry out tasks under the supervision of the Board of Directors (https://www.cpfworldwide.com/th/about/board-of-director) in order to drive the implementations of sustainability continuously and achieve the goals.

The governance structure consists of the committees, namely:

- 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); and
- The Executive Committee (https://www.cpfworldwide.com/th/about/sub-committee/executive-committee).

To continuously drive sustainability in accordance with the new strategic direction, CPF establishes the 10-year sustainability strategic plan covering 2021-2030 as shown in the 2021 Sustainability Report. Additionally, CPF shall also review sustainability issues and strategic plans annually to keep up with the rapidly changing global trends.

Food Security



The United Nations expects that global population will increase to 9.7 billion[/9] by 2050. This will result in an increase in global food demand by 70%, equivalent to the consumption of 470 million tons[/10] of meat. Food security then is a challenge with which human beings have been facing. As the leader in agro-industrial and food conglomerate, CPF's primary mission is to build food security which full of food quality and safety, and traceability. CPF therefore sets the goals on food security according to its commitments in 3 ambitions, namely sustainable food, responsible marketing, and animal welfare.

- **Sustainable Food**

  Sustainable food system is a key mechanism supporting the food industry on producing sufficient foods to meet growing consumer demand. To achieve the goal, CPF has used innovations as its primary tools. Start from researching and developing animal breeds as well as feed formulas specific to different animal ages to reduce excretion that causes pollution to the environment. CPF has also applied smart farming technology to raise animals likewise, has brought digital and automation systems to its production processes. This is to ensure that its production processes meet international quality and safety standards according to the CPF's Food Quality and Food Safety Policy whereas, food products are traceable to the sources throughout the value chain according to the goal of no product recalls that may affect public health. These has resulted in improvement of production efficiency and reduction of manufacturing waste. Moreover, there are continuous research and development collaboration among our researchers, nutritionists and food engineers to create nutritional values for consumers of all ages. In addition, CPF recognizes the importance of using technology for effective transportation management to ensure sufficient foods that meet consumer needs at accessible prices, which leads to sustainable food security

- **Responsible Marketing**

  Due to environmental and consumer behavior changes, CPF has announced its commitment under the CPF Healthier Choice Principles, the Health and Nutrition Policy and other related policies to support consumers on being healthy and away from non-communicable diseases; the leading cause of death in developing countries[/11], which tends to increase in the future. CPF has promoted consumer knowledge and awareness on nutritional and healthy food through cooperation with stakeholders on boosting sustainable consumption, marketing promotions and product labels showing complete nutritional information as well as specific information and packaging management after consumption, which facilitate

[/9] *UN News, United Nations*
[/10] *Global agriculture towards 2050, Agricultural Development Economics Division, FAO, 2009*
[/11] *Non-communicable diseases (NCDs), Thai Health Promotion Foundation: https://www.thaihealth.or.th*

customer purchase decision. CPF also provides healthy products having the Healthier Choice logo, from the animal raised with probiotics feed, and from plant-based meat substitutes as other healthy alternatives since our food is like a tonic enhancing health of Thai people. In addition, CPF also provides channels to capture customer feedbacks and manage customer complaints in order to communicate with the consumers, all of which demonstrate our commitment on responsible marketing.

- **Animal Welfare**

  The Company has focused on developing and enhancing its animal-friendly business practices in accordance with the international practices of "Five Freedom" and fostering employees' consciousness on promoting animal welfare both at the CPF's farms and its contract farming scheme. CPF has announced the Animal Welfare Policy and the CPF Global Vision for Antimicrobial Use Stewardship in Food Animals, including established the Animal Welfare Committee to propel animal welfare implementations, the policy and long-term targets on animal welfare. These include selection of good animal breeds for raising in modern closed housing with smart farming system that improves production efficiency and promotes animal welfare in accordance with hygienic practices, and waste management system that uses animal manures to generate power. In the meantime, data obtained from the system is added to the big data for future development, which shall result in improved production efficiency and quality. In addition, CPF has collaborated with its business partners, government agencies, civil society organizations and stakeholders to raise awareness and jointly develop guidelines for promoting animal welfare. CPF has the assessments conducted by internal and external agencies as well to ensure the same standards of best practices throughout the organization and reinforce consumer confidence on safety of meat used as raw material, as well as sustainably create food security.

More details on Sustainable Food, Responsible Marketing, and Animal Welfare can be found in the Sustainability Report 2021 in Food Security Chapter.

Self-sufficient Society

SELF-SUFFICIENT SOCIETY

Participation in creating positive social impact, and internal and external management of social issues are considered significant roles of CPF as the leader in fully integrated agro-industrial and food businesses. The roles include upholding fundamental rights of individuals being affected by CPF's business operations, namely employees, personnels in supply chain, and consumers; improving workplace culture; enhancing human resource management; providing tools which increase employee engagement in order to recruit, manage, develop, and attract talents and good employees possessing appropriate skills for the organization; engaging communities through the implementations that support smallholder farmers and community education; strengthening food security and nutrition; and local economic development.

- **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 Company's approach on managing human resources consists of Talent Attraction and Retention Program, by which it has put best efforts in inciting new talents to join the Company and to explore their potentials as long as possible. It entails motivation driven to them in their work performance, leading achievement of the Company's goals. The Company constantly develops its employees' capabilities and skills so that they can be specialised in their fields with efficiency - Talent Development. Through the Company's Digital Transformation Program, it is also getting employees be prepared

and ready for major shifts brought by the Digital Era where technology has been playing an important role in this ever-changing world of business. The Career Path Management is also an integral part of our People Development approach. It aims to promote and support all employees to have opportunity to grow along their career path while they are considered key values to the Company in the long run. We have set out Performance Management System to enable performance evaluation on a well-determined protocol, leading to allocation of Compensation and Benefits adequately and appropriately, including Recognition. The Company believes that by integrating this value-recognition into our corporate cultures – "CPF Way", it surely contributes to a sustainable commitment and engagement of "CPF People" across the organization

Organizational Design

To fulfill the vision, mission, and strategic goals set out by the Company, a concept of organizational design called "Modular Organization Structure" creates flexibility between departments and resilience to any change in business by focusing on obtaining a fast result and responding the needs of the organization in the digital transformation era. By this concept, our employee has been encouraged to work collaboratively and effectively.

Strategic Workforce Planning

The Company analyzes strategic workforce in a systematical manner and in consistence with business strategies to reaffirm that the organization has proper recruitment and development plan in place. Such plan must reflect significant business strategies of both short and long terms by applying the "6 Rights" principle developed by Korn Ferry to fulfill all dimensions of workforce requirements as follows:



1. Right Size: The Company aims at hiring an appropriate number of workforce for its business in order to achieve efficient and effective operations.
2. Right Shape: The Company has outlined the right shape in each department. The number of workforces in each job level is set to ensure that the company has a healthy organization structure, resulting in the effective operation.
3. Right Skill: The Company conducts an analysis to determine whether which job or skill is needed in the future and examines which job or skill shall be replaced by technology and automated systems to prepare the organization to achieve the future predetermined goal.
4. Right Source: The Company integrates modern technology to reduce labor costs, optimizes and ensures safety in business operations.
5. Right Site: The Company determines a sufficient, adequate number of workforce who have the skills that fulfill business needs to work in an appropriate location.
6. Right Spend: The Company determines the right people costs in a manner that is consistent with business productivity.

The Company is determined to achieve a balance in workforce with the following two related factors:

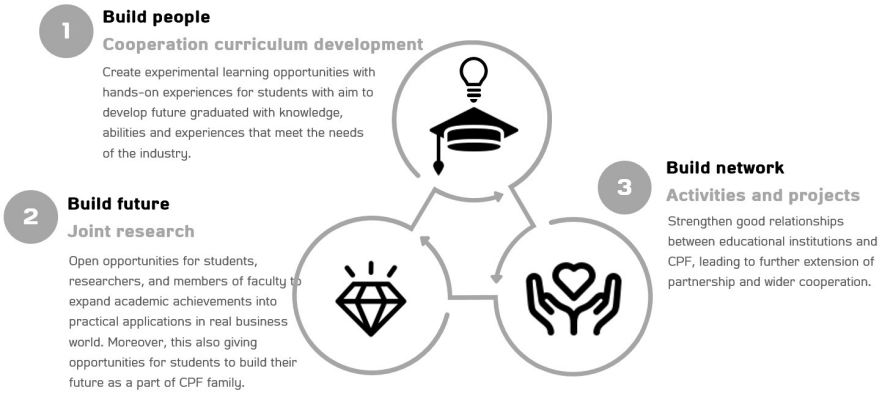
1. Demand planning: The Company forecasts the demand for manpower according to the business plans, whether in terms of headcount (quantitative) and qualification of employees required (qualitative) of each department. Moreover, it has set productivity rates aimed by the organization. In this regard, the Company shall compare people productivity with those of the competitors in the same industry (Benchmarking); for instance, revenue per employee, staff cost to revenue, etc.
2. Supply planning: The Company forecasts its workforce based on data analytics. For example, turnover rates, retirement, etc.

The Company has continuously assessed workforce to predict the direction of business growth, new or emerging job positions, in order to formulate plans with relevant departments, e.g., Recruitment department, Learning and Development department, etc., to prepare for further works that align with the business direction.

For the analysis of strategic workforce, the Company devises an organization-wide standard for workforce planning, which is result oriented, and store workload data that is consistent with the business direction in the same system. Moreover, the Company has employed technology for workforce planning, which involves upstream through downstream and can create a prompt simulation based on business hypothesis.

Recruiting the Talents

The Company conducts proactive recruitment by acquiring potential candidates from public and private education networks, social networks channels, and relationships building through collaborative projects with leading higher education, both domestically and internationally. Seeing that future graduates are the key forces to drive the country to brighter future, the Company aims to build people, build future, and build networks and taking their part in developing future graduated with knowledge, abilities and experiences that meet the needs of the industry. Through cooperation in curriculum development, joint researches and various activities that lead to real action, the Company help building understanding and nurturing business skills along with the important skills of the future. The details are as follows:



Proactive Recruitment

- **Build people** through cooperation curriculum development with aim to experimental learning opportunities with hands-on experiences for students, the Young Agribusiness Entrepreneur course with Prince of Songkla University, the master's degree program in food science with Mae Fah Luang University, etc.
- **Build future** through joint research to open doors for students, researchers, and members of faculty to expand academic achievements into practical applications in real business world, e.g., research on Black Soldier Fly (Hermetia illucens) with Chiang Mai University, a study of radiation-based egg screening prototype with Suranaree University of Technology, etc.
- **Build network** though activities and projects that lead to further extension of partnership, e.g. hosting a Virtual Hackathon competition, in collaboration with 42 Bangkok, coding school under the supervision of King Mongkut's Institute of Technology Ladkrabang, which further lead to initiative to fulfil programmer shortage pain point in Thailand, and the CPF Young Software Developer Program piloted with Kasetsart University and King Mongkut's University of Technology North Bangkok, leading to creation of young software developers inside university fences by providing real business cases to student to learn and innovate real solutions etc.



Prince of Songkla University



MOU with Office of the Vocational Education Commission



KU x CPF Young Software Developer Program (CPF YSDP)

In addition, there is also an internship, cooperative education and bilateral projects that the Company has continuously operated. This year, approximately 231 students from 33 institutions have been enrolled in the program.

Selection of High Potential Candidates

The Company has consistently acquired young talents for its leadership development program, as well as recruiting experienced applicants, including senior executives, from both domestic and abroad to support business expansion. The Company focuses on fairness, transparency, and standardization of the process in recruiting and selecting employees. Therefore, it has adopted world-renowned recruiting tools such as competence and personality tests, as well as the use of Assessment Centers to measure applicants' qualifications in all aspects and the committee mutually review the results of the assessment. In addition to being used for the selection of employees, the tools is also used to develop knowledge and abilities, and provide opportunities for career advancement of employees as well.

Referral Program

The Company initiated the “Friend Referral Program” for current employees to recommend friends to join the organization. The program, is one of the most effective recruiting mechanism.As a result, new employees recruited through Friend Referral Program are able to adapt to the corporate culture, resulting in stronger employee engagement and higher satisfaction at work while the turnover rate decreases. It also helps create an organizational culture and encourage cooperation in finding talents who meet the needs of the organization to the fullest extent. In this regard, the mechanism achieves the success rate of about 3:1.

Internal Recruitment: “Chance for Change Program”

The Company recognizes the importance of motivating employees about career advancement. Therefore, there is a project that allows current employees to apply for various positions through the "Chance for Change Program". As the current employees are already familiar with the culture and values, this project granted them with an opportunity to learn, to develop, to enhance skills, grow knowledge, and gain experiences in new area of work. It is an effective employee management mechanism as it create good working culture, boosting employees’ morale and fostering a sense of belonging towards the organization. Moreover, it is an effective strategy to promote talents within the organization too.

Employer Branding

The Company has developed three online channels to create brand awareness: LinkedIn, Line Official and Facebook Career Page. These channels are used to communicate about Company's job vacancies and activities such as executive interviews, knowledge sharing by Company's executives, and employee testimonials; which helped attract high potential applicants towards the organization.

Talent Development Programs

The Company emphasizes on creating future leaders, who are well equipped with knowledge, skills, and desirable behaviors that are in line with organizational values and goals, resulting in practical applications. This also includes developing potentiality and preparing all employees to be a key driver that propels currently implemented strategies and those of the future while also collecting, developing and conveying knowledge gained from hands-on practice. The Company believes the new generation of leaders will know deeply through practice as it leads to experience similar to that of a business owner where they can independently think, try, and solve problems that arise. Moreover, it allows employees to make decisions via challenging business projects through the Leadership Development Program (Thao Kae). The Company thus uses the strategy to enhance the development of these new generations of leaders to ensure they are able to learn anywhere, anytime as they wish for, also known as online On-Demand Learning, e.g., A Manual for entrepreneur of wet market, product information, etc. In addition, there are also courses to improve sale skills such as counseling sales skill course, negotiation course, setting strategic goal for success course, as well as problem solving and decision-making course. At present, over 1,000 employees participating in the Leadership Development Program (Thao Kae).

In addition, the Company is actively building its employees who possess skills for the future to benefit business expansion and accelerates the development of employees in scarce skills that are beneficial to the countries still in need of professional labor through scholarship programs for employees and employees' children, both domestic and overseas. Up to the present, there have been 80 scholarships granted in total. Recently, 12 scholarships were awarded to scholarship students who are currently taking courses, divided into 3 aboard scholarships for master's degree programs, 8 domestic scholarships for master's degree programs and 1 domestic scholarship for a bachelor's degree program.

Succession Planning

The Company prioritizes succession planning for 272 key positions by selecting potential future leaders who have outstanding performance and are ready in terms of experience, knowledge, competency and leadership skills. This selection is conducted through the process of screening by using the 9-Grid tool which consist of performance and potential dimensions to help screen the short-list candidates for nominations for further assessment. The short-list candidates have been invited to conduct ability test developed by a leading assessment tool provider company. This is a standardized tool, the results are objectively measured. After the assessment, the list of successors must be approved by the People Development Committee. The list of successors will be reviewed every year.

For successors, there will be an individual development plan that customized by each individual development needs (Customized IDP). The successors will be registered to various training courses as deemed appropriate, or assigning special projects, short-term secondment, work rotation, etc. The succession planning is for the purpose of reducing organizational risks due to shortages of qualified employees for important positions as these shortage issues can adversely affect the business operation if the company cannot fill the vacancies in key positions.

Lifelong Learning for Employees

The Company is committed to developing employees in all aspects, from the basic knowledge to essential skills in various fields. This is to ensure that all employees are ready to perform both current and future operations promptly and with quality. The Company provides employee with 4 areas of learning and development programs as follows:

1. Fundamental Program: This program offers a range of courses that enable all employees to know their responsibilities and comply with company core value laws, rules, regulations, corporate governance, business ethics and disciplinary penalties in a correct and adequate manner. This includes courses associated with basic governance, Personal Data Protection Act (PDPA), and corporate values "CPF Way". In 2021, there were more than 21,000 employees completing the fundamental courses.

COURSES	HOURS OF TRAINING
Foundation of Corporate Governance	168,997
Digital Literacy 100	33,501
Knowing COVID-19	27,782
Safety, Occupational Health and Environment	15,732
Others	361,362
Total	487,160

2. Future Skills Development Program: This program will equip employees with knowledge and future skills in order to cultivate new skills required for work to promote Company's future growth. The future skills development program is divided into two groups as follow;

   2.1 Digital Literacy Skills: This group focuses on the development of the Digital Literacy level of employee in both of hard skills such as Data Analytics, Robotics and soft skills such as Design thinking, Agile. There are four levels of digital skill development from basic to advanced level with the purpose to lay the foundation and enhance digital literacy skills in using technology and digital for employee in each target group. In 2021, the Company aims at heightening digital literacy through the Digital Literacy 1-0-0 course. The course provides employees with fundamental knowledge about the digital technologies employed by the Company, for instance IoT, Big Data, Cloud, A.I., Robotics, Block chain and Mobile Technologies, and how these technologies can be applied to routine work activities and Company's business operations. In addition, this course is to prepare Company's workforce in unlocking business strategies and meeting Company's current targets where everything is driven by technology and data. There were almost 22,000 employees completing the course. Moreover, the Company also provides a digital skill development program for specific groups of staff as follows:

      2.1.1 Certificate Program for Digital Foundation: This encompasses essential work skills that are required for 600 target employees whose nature of work needs digital expertise to drive the organization, or those engaged in digital transformation projects of the Company.

      2.1.2 Data Analytics Boot Camp Project: This is a course that develop data analysts, a group of employees necessary to steer business growth in the digital era. The Company has cooperated with leading organizations in the field of data analysis to design a 3-month data analytical skill development path for all participating employees in a hybrid learning model, including self-learning, hands-on workshop and hands-on experience through real business challenges. In 2021, there were 47 employees completing the program and taking the position of Data Champion in their department with the business plan that is contributed value more than THB 300 million per year. In this regard, the Company plans to achieve 150 successful participants by next year.

   2.2 Essential Future Skills: This program focuses on building new skills needed to work and uplifting existing ones. The company aims to equip new skill for employees with a global mindset and the ability to strengthen the synergy across the business to drive the growth of the company in the future. In 2021, the program was offered several courses to ensure development of essential future skills. For example, critical thinking, resilience, agile project management, creativity and innovation, communication in new era and customer centric, in a hybrid learning model, which integrate different ways of learning (e.g., e-learning, virtual training, group coaching, on-the-job training), to serve today's learning needs.

3. Leadership Development Program: The Company is objected to develop leadership skills for supervisors or managers of all levels. A set of leadership development programs for each target group has thus been set up as follows:

3.1 People Manager: This program prepares supervisors and managers for more challenging management roles in the modern era by arming them with basic skills in people management throughout employee life cycle. The program consists of 4 subjects as follows:

3.1.1 Selecting Talent: Choose the right ones for the team.

3.1.2 Managing Performance: Set a target, review and evaluate performances.

3.1.3 Developing People: Develop employees for further improvement and achieve career advancement.

3.1.4 Engaging People: Appreciate and give constructive feedback in the workplace.

3.2 Management and Executive: The Company accelerates the development of executives' potential to ensure they can be a leader that creates another leader and a game changer in the future by focusing on providing the executives with ideas and strategic planning skills. There are 3 executive development programs that differ according to the challenges of manager roles at each level as follows:

- Executive Acceleration Program: For the executive levels that play pivotal roles in shaping the vision and direction to which the business shall grow in the future, or to become organization's future changer. The program focuses on building leadership role models who are visionary, future-oriented, and empowers them to craft the next generation of leaders and lead their teams to grow with the organization.
- Management Acceleration Program: For leaders at the management level who drive the organization forward to keep up with business needs and challenges. This group of management must therefore be able to initiate a change for the team and drive the team to overcome all challenges and to promptly adapt to all the shifts.
- Team Acceleration Program: For the frontline management level responsible for facilitating efficient work. A key challenge for this management level is the change in roles, from those who used to work independently to someone that delivers results through others or the team. Therefore, this course aims at turning this management level into a partner, who engages in brainstorming and works side by side with the team in order to leverage individual potentials of the members and to deliver works quickly and with quality.

4. Technical Skills Development Programs: The Company promotes the development of technical skills and knowledge management for each business units thru the establishment of technical academy and learning community that help exchanging knowledge to ensure that the competence level of employees does meet the business needs of both today and in the future. Employees in each department will be engaged in development of their knowledge and skills, in line with their actual responsibilities and duties while their ability will be “upgraded”. Through this means, they shall be ready for the growth of the changing business. In 2021, the Company has rolled out 9 units of technical academy with a plan to expand and complete remaining 27 units within 2023.

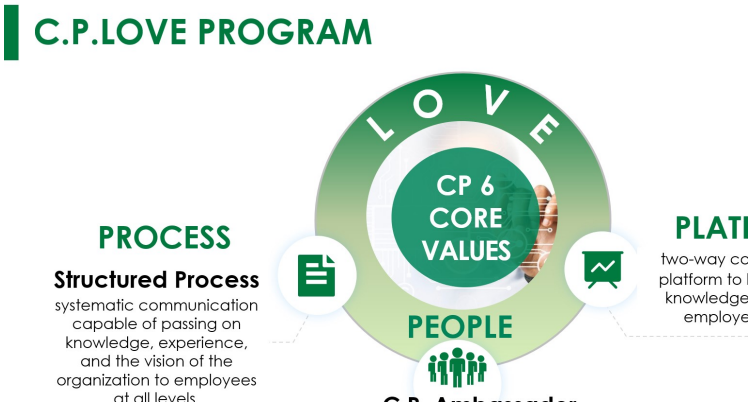
In addition, the Company is aware of employees’ shifting learning behaviors after the COVID-19 situation in 2021, hence the Company has pushed and promoted self-learning for employees through an online learning system called "Im-Ru", which can be used anywhere, anytime, through all devices such as computers, mobile phones. Employees can choose to learn based on their interests and availability (On-Demand Learning). There are over 900 courses including digital, leadership, management, business administration courses, and other self-development lessons. According to human resource development statistics of 2021, it was found that more than 40% of employees regularly accessed and took courses to develop the skills they were interested in. This can be considered the foundation of creating a lifelong learning culture that the Company aims to achieve as a learning organization for sustainable success.

Building strong corporate culture

The Company operates its business with a commitment to quality based on integrity, ethics, and consideration for the benefit of the public in accordance with the Three Benefit Philosophy, all of which are incorporated in the CPF Way which consist of Three Benefits to Sustainability (for the Country, the People, and the Company), Speed & Quality, Simplification, Adapt to change, Innovativeness and Integrity, Honesty and Reciprocity.

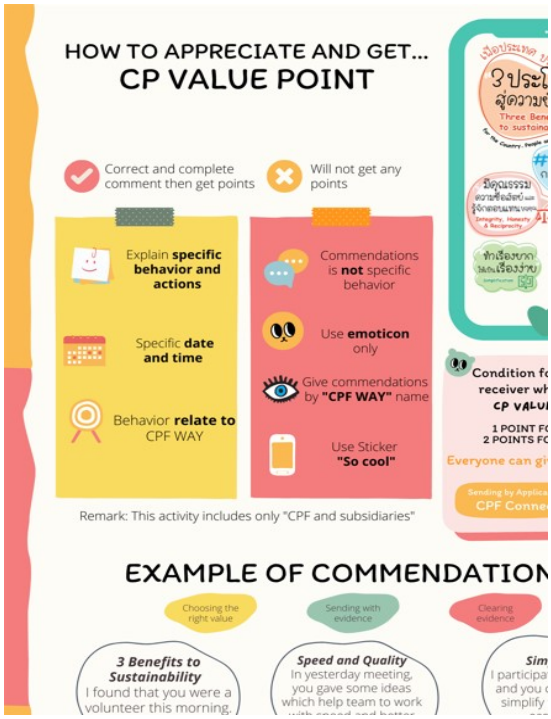
CPF creates an organizational culture based on 3 P principles, which are:

1. Process to pass on knowledge, experience, and corporate vision transferable to employees at all levels
2. People consists of a group of CP Ambassadors and a CPF working group to drive activities as well as expressing thoughts on company culture-building activities.
3. Platform for two-way communication to help spread information and listen to employee opinions.



In 2021, CPF conducted culture cultivation program by using The CP LOVE Program that focuses on effective communication, appreciation culture, and listen-up manner, and desired behaviors that are in line with the CPF Way.

- Loyalty: Promote an atmosphere of appreciation among employees within the organization, support company's products and services, and comply with the CPF way. Creating Love & Pride makes employee feels special and important. Result from this, they will be engaged with the company and the products.
- Omnichannel: Communicate company's positive stories to society and willing to clarify and protect the company's reputation.
- Volunteer: From the point of view of three benefits philosophy, the company makes point of giving back to society by fostering employee engagement at all levels, improve the Community's well-being and protect the environment from various projects that help to promote careers, create jobs, and income level.
- Education & Empowerment: Select and train more than 300 people to act as the Change Agents, a group of CP Ambassadors, to shape a desired behavior that encourages digital and technology to support change.



The Company has initiated a project "On-spot reward" as one of the projects that encourages employees to express their appreciation towards colleagues who behave or work on the basis of CPF Core values (CPF Way). The program enables employees to submit thumbs up and specify the values and behaviors to the colleague whom he/she would like to give a compliment in the CPF Connect Application. Every time of the submission during the project period, the sender and the recipient who follow value-based behaviors will earn reward points. The objective of the project is to measure the success through the number of participants, the number of compliments sent, and feedback submitted for further development in the next phase. Apart from fostering the CPF Way values, the expected outcome also helps to create the appreciation atmosphere within the team and employee engagement in the Company.

Employee Engagement

Since 2018, CPF has continuously conducted the survey to measuring employee engagement across the organization. The survey results identified areas of strength and areas for development at the organizational and functional levels. CPF has developed an action plan to boost overall employee engagement score, encouraged business representatives to learn survey result interpretation, and engaged them to participate in action plan development. Moreover, the business representatives have been invited to become the "Change Agents" who play an important role in change management process. The change agents support and promote new ways of doing things, communicate the reasons for the change and persuade others within their responsible departments to join the initiatives. Ensuring the success of program is one of the change agents responsible. They have to drive activities and follow up action items that developed in response to factors influencing organizational engagement. In 2022, CPF expected to raise its employee engagement score from 71% to 74% after launched the series of activities in 2021.

To achieving the target, CPF launched CPF@Heart project to increase employee engagement. There are two sub-projects under CPF@Heart; CPF We Care and CPF Love&Share. Details of these projects are as follows:

1. CPF We Care: There are four themes under CPF We Care including
   1.1 Care for Benefits: Focus on welfare and compensation

   Example
   - Debt reduction program
   - Employee and Employee's children Scholarship program





Examples of Debt Reduction Program to increase employee's quality of life, promote financial planning and enhance financial descipline

   1.2 Care for Career: Focus on the career development

   Example
   - Communication in goal setting and employee self-development
   - Give advice in career planning to employees
   - Development program for all employees
   - IMRU platform for self-learning and knowledge sharing

   1.3 Care for Culture: Promote and embed organizational culture

   Example
   - Encourages employee to express their appreciation towards their colleagues who behave or work on the basis of the CPF Way values.
   - Focusing on promoting the working environment in a guiding, not telling manner in order to provide opportunities for the new generation to try new things.

1.4 Care for Well-being: Focus on the well-being of employees.

Example

- Promote employee well-being at work and at home, such as massage to treat office syndrome.
- Healthcare service for employees in the COVID-19 situation such as Fah Talai Jone tablets, ATK test kits, etc.
- COVID-19 Prevention e.g. COVID-19 vaccine both procured by the company and supported by Social Security Office, Employee masks (Mask for ALL), etc.
- Provide influenza vaccination for employees during the epidemic season.

2. CPF Love&Share Project: The objective of this project is to provide privileges or provide a discount on CP's products and services to employees and their family. Sharing good story related to the company through social media and building a spokesperson are sample campaigns in CPF Love and Share activities.

CPF Code of Conduct

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





The Company has signed a declaration of intention of the Thai Private Sector Collective Action Coalition Against Corruption by collaborating with government, private and regulatory bodies to create standards for transparent business. For the results of the 4/2020 quarterly meeting of the Committee, the meeting resolved to approve certification renewal for "Charoen Pokphand Foods Public Company Limited" to ensure the continuity in being a member of the Thai Private Sector Collective Action Coalition Against Corruption, effective from March 31, 2021, onwards. Such certification will be valid for 3 years from the date of approval. The certification has been disseminated to directors, executives and employees regularly and its implementation is promoted throughout the corporate. In this year 2021, the Company has joined the CAC Change Agent project by inviting SMEs to join the anti-corruption program and encouraging SMEs to be certified to create a supply chain that is transparent while also helping to further expand the anti-corruption coalition.

In 2021, the Company has improved and revised its 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 employees 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.

Promotion of Safety and Contentment at Work

The Company attaches great importance to providing a safe environment for employees at every workplace by implementing Safety Health Environment and Energy Vision, Mission, and Policy to guide employees' conduct throughout the organization. The goal of this implementation is to reduce work-related accident statistics to zero by cascading knowledge and building understanding on health and safety of employees at all levels, as well as providing staff training regarding the issue such as a new hiring orientation on safety, occupational health, and environment, a training course on 5 possibilities of accidents, etc.

Amidst the COVID-19 pandemic, employees are a key driver that enables the business to grow, strengthen food security, produce fresh, clean and safe food for the country during the outbreak to ensure it can keep and take care of all employees. The Company places utmost importance on risk monitoring and assessment while also issuing measures to take close care of employees based on 4S principle, with details as follows:

S1 = SAFE Peace of mind and worry-free safety: The Company has procured the 'Sinopharm' vaccines from Chulabhorn Royal Academy for the sake of safety of all employees, both Thais and non-Thais, which were rolled out first to frontline employees whose nature of work is prone to high risks. So far, as of December 25, 2021, 100% of Company's employees have been fully vaccinated. We have adequately and timely prepared 273,000 sets of basic test kits for disease screening and created a check-in channel to collect information on history of visits and to closely monitor and take care of all staff.

S2 = SEAL Rigorous and strict prevention: The Company implemented the Bubble & Seal measure to lessen potential exposure to infections among employees by arranging dormitories and/or dedicating an area within manufacturing plants to accommodate employees, taking care of their living and transportation, to ensure that they are less likely to visit places that are prone to infections. This enables their work continuity and earning.

S3 = STRONG No worries if infected. We're here for you: The Company had two field hospitals (Nong Chok and Saraburi Field Hospital), which can accommodate up to 800 beds to take care for its employees and communities in the proximity. For Bangkok metropolitan area and its vicinity, the company has set up an MOU with Piyavate Hospital with 562 beds to accommodate both green, yellow and red patients.

S4 = STAY We are family, forever: The Company implemented a zero-layoff policy regardless of being affected by the COVID-19 pandemic. This allows employees to earn for their family. Moreover, there are measures to aid employees' families that are affected by the crisis as well.

In order to create a preferable working atmosphere, promote joyful life, and instill a sense of belonging towards the organization, the Company has formed 15 staff clubs to carry out activities to encourage interested fellow employees to jointly make contributions to the society and for the common good, all of which aim at boosting health, knowledge, and interest of employees. Apart from being supported and recognized by high-ranking executives, there are also platforms that enable employees to express their creativity and work together for the benefit of the society. They can further develop existing knowledge and interest, expressing and listening to opinions, broadening their perspectives, and promoting diversity. All of these influence good relationships within the corporate and create a friendly work environment, engaging employees in cross-functional work while also strengthening the bond between executives and employees.

Compensation and Benefits Management

The Company recognizes contributions of its employees by offering fair remuneration packages. It is also committed to offering all employees with wages that are sufficient for a decent living. This principle extends to the overall remuneration process, which outlines the structuring of salary and remuneration of the Company through analysis and comparison of data, both in terms of policies and regulations on the remuneration in order to accurately be cascaded to all employees. This emphasizes achievement-based success and correlation in order to reward employees who possess competency and have achieved high-level performance. The benchmark and tools employed are recognized standards outlined by leading HR consulting firms such as Mercer and Korn Ferry Hay. In terms of operations, plans are reviewed on an annual basis, which is part of providing and maintaining motivational boost as well as employee engagement. In addition to the fair remuneration, employees also enjoy welfare benefit, e.g., 100% hospitalization insurance for employees and their

family, rights to immunization at no charge, gym rooms, additional discounts on corporate products, etc. Workers at Company's farms or manufacturing plants also received free food, accommodation, and transportation provided by the Company.

For the recognition of potentiality in 2021, there was a total of 5,067 innovators with a total of 7,475 innovations, 392 of which have been patented/petty patented. They were created through the corporate innovation process via the I-score program. TRIZ is the principles for inventions and innovative solutions to problems found in the industrial sector. It is applied for achieving maximum performance or an increase of ideality and reducing the use of resources. Normally, there must be limitation or contradiction of factors. The innovative works can be divided into 3 groups: i1 Improvement, i2 Invention, and i3 Innovation. In addition, the Company has managed innovations according to the Europan Committee for Standardization (CEN) CEN/TS16555 standards since 2016.

In addition, the Company encourages employees to participate and contribute to the organization through their work while also valuing and appreciating their efforts. Therefore, in order to express gratitude, the Company operates an employee recognition program designed to boost the sense of belonging of employees. For example, the earlier mentioned On-spot Reward which the Company has used to recognize great works and valuable contributions in real time through digital platforms. The cumulative points earned can be redeemed various benefits, both at Company's affiliates and non-affiliates.

Performance Management and Career Development

The Company has placed importance on the performance management, as it is a mechanism that helps enhance organization competitiveness and sustainable growth, in other words, on being a "High Performance Organization". Moreover, it promotes capability development for employees through their endeavor and contribution to achieve individual performance target.

The performance management process effectively drives the organization towards its goals by setting achievements and indicators that are consistent and building synergy among employees of all levels, that is, from corporate goal cascading to individual goal by setting key performance indicator (KPI). KPI dimension are, for example finance, customer, employees and sustainability

The Company consider granting employees with proper rewards. High-performing employees shall receive remunerations with significant differences when compared to employees who had poorer performances. As such, it motivates high-performing employees to maintain their performances and encourages them to be role models in performance improvement for other employees. In addition, the Company also emphasizes on continual development of employees via the Coaching and Feedback process, and actively provides talented employees with career opportunities both within function and cross-function growth.

The Company Corporate Compliance

The Company attaches great importance to compliance with laws and regulations related to its operations to promote and drive Company's sustainable growth and to gain confidence and trust of shareholders and stakeholders. As a result, the Company formulates a policy to regulate compliance with applicable regulations and to ensure adherence of Company's directors, executives and employees of all levels by the set-up of the Corporate Compliance Office as the center undertaking supervision of policies, frameworks and procedures.

HR Assurance

The Company established HR Assurance Unit to follow up and ensure that the Company's human resource management processes have been implemented effectively. HR Assurance Unit shall also create trust in human resource management processes, reduces internal human resource risks, and ensures compliance with human resource laws, international human resource standards and policies as well as requirements of customers in order to meet global standards and support the business growth. Since 2020, the Company has audited and followed up on human resource management processes for 24 units, and outlines an audit plan on an annual basis:

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

The Company has adopted Thai Labor Standards, TLS 8001, social responsibility requirements for business sectors, as a voluntary standard system in order to develop and ensure it has a standardized labor management system, which is comparable to international labor standards. It focuses on equal treatment, appropriate compensation and work safety, which are important basis for sustainable development. From 2015 up until the present, a total of 118 operating sites, including Company's factories and farms, have adopted the Good Labor Practice standards (GLP) and applied to their operations.

118 livestock and aquatic animal businesses have been certified for the TLS 8001, accounting for 94% while CPF is planning to achieve 100% of sites. The Company proactively encourages all operating facilities improve welfare scheme in alignment with the TLS 8001-2020 (revised edition), which provides additional protection for female employees. According to the standard, pregnant or breastfeeding employees shall have access to a dedicated room within the premises. This benefit is also applicable for contractors who work within the Company's facilities to ensure that they are embraced by a safe and healthy environment. Moreover, the Company established measures to protect employees and prevent them from being harassed or experiencing sexual harassment, and to eliminate threats of violence at workplace while also organizing activities to promote the quality of life of employees according to the applicable international principles as well as to reinforce and disseminate good labor practices to business partners.

The Company has also encouraged farmers in the contract farming projects to adhere to the GLP standards since 2016 and actively follows up and evaluates the results annually, as well as providing advice to farmers on preventive and control measures for outbreak in livestock within the farms to ensure that all employees in the supply chain of the livestock industry can work safely, be treated well and fairly in accordance with international standards and shall cooperate in eliminating the use of illegal labor.

Respect for Human Rights

The Company is committed to managing human rights issues through policies based on principles and standards in accordance with the UN Guiding Principles on Business and Human Rights (UNGP). Since 2016, the Company has adopted Human Rights Due Diligence framework (HRDD) to identify, mitigate and account for how it effectively addresses human rights impacts. The Company's Human Rights Due Diligence Process consists of the following 8 steps:

1. Policy Commitment: The Company declares commitment to respect for human rights and promotion of fair labor practices, reaffirming to fight against any violation of human rights laws and develop good labor practices in a concrete manner.
2. Embedding: : The Company's commitment to respect for human rights are embedded within the organization through relevant corporate policies - communicated 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 human rights impacts within Company's operations and its value chain.
4. Integrating and Acting: After identifying high-risk human rights issues (Salient Issues), the Company considers the effectiveness of existing mitigation measures and develop additional measures to reduce the likelihood or severity and the impacts of such issues that potentially affect stakeholders including vulnerable groups.
5. Tracking performance: The Company monitors and evaluates existing mitigation measures to ensure that they have been continuously improved through stakeholder engagement strategies to effectively tackle and solve possible issues of human rights violation.
6. Communication: The Company publicly discloses its human rights performance annually through sustainability report, annual reports, and Company's website.
7. Stakeholder engagement: The Company continuously conducts an analysis and review to comprehensively identify its stakeholders and emphasizes on continuous partnership engagement through a variety of activities and 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 in a systematic manner.

Policy Commitment

The Company recognizes value and dignity of all human beings as the underlying principle of working and living together. Therefore, the Company attaches great importance to managing human rights issues by implementing the corporate human rights policy and related policies, which are in accordance with international principles, including

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

Corporate governance towards sustainability coupled with respect for human rights and good labor practices is the foundation of the Company's sustainability strategy. Adhering to 3 major pillars: Food Security, Self-Sufficient Society and Balance of Nature, the Company aims at protecting rights and benefits of shareholders, delivering safe and healthy food to consumers as well as guaranteeing security and livelihood of the community, society and business partners while also preserving nature and environment, all of which lead to sustainable social and economic development. The Company combines the respect for human rights in the core elements of its sustainability strategy.

In addition to its own operations, the Company has also extended the scope of respecting human rights and good labor practices to cover those of its business partners. It has disseminated policies on human rights and good labor practices for further acknowledgement and appropriate application by its business partners.

The Company is committed to conducting business ethically, complying with laws of every country in which it operates. Moreover, policies and principles to be considered as guidelines for management and practice on the basis of sustainable growth have also been effectuated.

The Company's values and principles have been embedded through its various policies such as Corporate Governance, Code of Conduct, Corporate Social Responsibility to Sustainability Policy, Employment and Labor Management Policy, Foreign Worker Recruitment in Thailand 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 fundamental principles and international standards, the Company integrates human rights principles into key relevant policies and communicates such policies to its employees and business partners for them to acquire knowledge and understanding

and promote respect for human rights and good labor practices. In this regard, all employees of every business unit under the Company have already undergone training sessions on human rights.

In addition, Labor Protection Network Foundation (LPN) continues to drive collaborative actions with the Company for the 4th consecutive year under a Memorandum of Understanding (MOU), a part of which includes training on human rights and labor rights provided to the Company's employees. This helps the Company's employees – both Thai and migrants - to know and be aware of their rights according to the Labor Protection Act and international labor standards. Through the past 4 years of cooperation, a total of 77 training sessions, 3 hours per batch, have been organized for more than 2,800 employees, 74% of which are migrants, at different operating facilities of the Company across the country. In this regard, they need to do pre- and post-training tests. The assessment results show that the employees' awareness on human rights and labor rights has increased. In the first year of collaboration activities, it was found that the average score increased after the training, that is, from 48 points before the training to 89 points after the training. In the second year (2019), the average score increased after the training, that is, from 64 points before the training to 88 points after the training. In the third year (2020) the average score increased from 67 points before the training to 98 points after the training and last year (2021), the average score increased from 63 points before the training to 89 points after the training.

As for the grievance management, the "Labor Voices Hotline by LPN" center records all incoming calls and classifies complaints according to the nature of the case.

- In case of violation of human rights, the Company, together with LPN, shall investigate the problem and solve it without delay.
- If it is related to violation of labor law, investigations and remedies must be completed within 2 weeks.
- In other cases, the Company will proceed and provide a response within 4 weeks.

The Company shall report and communicate details of the cases without disclosing the identity of the informant (anonymously), together with the results of corrective action and remedies (if any) while also set out preventive measures through appropriate communication channels for employees to be notified.



Human Rights Risk Assessment

Recognising the importance and management of human rights risks which is considered important for the business to succeed, the Company has set out Human Rights Due Diligence Process since 2016. The process, which is implemented every 3 years, includes assessment and analysis of human rights risks, risk management, continued monitoring and reporting on performance, all of which cover all business operations in Thailand, as well as supporting functions.

In 2021, the Company reviewed and conducted a comprehensive human rights assessment process in all business operations in Thailand, which covers all stakeholders, including vulnerable groups that are diverse in terms of ethnicities, religions, disabilities, as well as children and the youth. The salient human rights issues consist of:

- Working conditions
- Health and safety of employees
- Health and safety within communities
- Data privacy
- Illegal labor (e.g., child labor, forced labor, migrant workers) in supply chains
- Health and safety of suppliers and contractors
- Living standards and safety of communities in supply chains

Integrating and Monitoring Performance

The Company reinforces respect for human rights throughout the organization and ensures that all employees and all groups of stakeholders are equally and fairly treated, protected, and respected for their fundamental rights to alleviate the risks of human trafficking, forced labor, and debt bondage. It is committed to eliminating discrimination and harassment of all forms under the responsibility of the Human Resources Unit. The Human Resources Compliance Department (HR Compliance) of the Company takes charge of supervising and managing human rights issues and labor practices, a key part of which is:

1. *Employment and Labor practices*

   The Company has clearly set out policies including labor practices and has strictly and continuously implemented them in compliance with the law on the minimum age for employment. Young employees shall not be assigned to works that are harmful to their health and personal development, as well as to their basic education. Moreover, forced labor of all forms is not adhered to. No sum of money shall be collected from employees, and their identification documents shall not be retained. The Company respects diversity and treats employees equally without discrimination or preferential practices due to race, nationality, race, color, religion, gender, age, disability or impairment, political beliefs, marital status. Moreover, it shall prevent and resolve harassment incidents.

   The Company provides, compensation, wages including overtime payment and benefits in different natures in compliance with the 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, and the Company ensures that overtime work hours shall be in conformity to the laws. In addition, it shall promote, support, maintain, and consistently improve and create a safe working environment, preventing potential impacts on health of employees and those others concerned, as well as focusing on conservation, prevention, and reduction of environmental impacts caused by Company's business operations and those associated by complying with all applicable laws, etc.

   The Company places great importance on legal employment. It has also encouraged its business partners to comply with applicable laws and international labor standards which reflect Company's policies aiming for socio-economic integration and mutual goal achievement.

   The Company employs migrant workers under MOU between the Thai government and that of neighbouring countries on the recruitment of migrant workers, directly through a legally accredited recruitment agency in the country of origin to ensure that the processes and recruitment-related costs in the country of origin are accurate and transparent. All employees, whether Thai or non-Thai, shall be treated fairly and equally.

   The Company has determined parts of responsibility for the migrant worker recruitment-related costs. Concretely, migrant workers are responsible for personal expenses such as their passports while the Company shall be responsible for recruitment agency service fees in the country of origin and all expenses incurred from the border to the Company's operating facilities which include visa fees, work permit fees, etc.

2. *Diversity and Inclusion Management*

The Company values and places importance on difference and diversity of thought, skills, and experience of all employees, as it believes that diversity can empower its employees to sustainably drive the Company. In this regard, the Company has established policies and guidelines to promote diversity within the organization.

The Company's goal is to protect employees at all levels and to not tolerate any forms of discrimination, whether in terms of characteristics of a person or group, 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 all kinds, whether it bears sexual connotations or not. This principle has been applied to employees at all levels in both domestic and overseas operations.

The Company has integrated the Sustainable Development Goals of the United Nations (SDGs) as part of its HR strategy to drive the Sustainable Goals of Gender Equality. The goal aimed for by 2030 is to drive employment of an equal number of male and female employees and provision of equal remuneration for the same position regardless of genders. As such, the Company has a guideline to promote conformity with the policy as follows:

- Leaders must be open-minded and listen to others.
- Employees must be encouraged to express their opinions in a constructive manner.
- An environment of mutual respect must be fostered. Employees can work together on the basis of diversity.
- The principle of non-discrimination must be adhered to along with equal opportunities offered. Moreover, employee recognition is appropriately addressed.

Grievance & Remediation

The Company attaches great importance to grievance mechanisms and communication channels available to employees, key parts of which are:

Cooperation with LPN

The Company, together with the Labor Protection Network Foundation (LPN), has signed a memorandum of agreement to actively establish the “Labor Voices Hotline by LPN Center” to set up channels for addressing both positive and negative feedback, suggestions, complaints, or grievance of employees at all levels through a neutral organization. It is to enhance efficiency in improving employees’ quality of life and raise awareness of employees on labor rights issues, which shall enable the Company to manage labor right risks in a transparent and fair manner.

In 2017, in cooperation with Labor Promotion Network Foundation (LPN), CPF signed the Memorandum of Understanding on procedure development for receiving complaints from employees in accordance with labor practices and creating a positive work environment through “Labor Voices Hotlines by LPN”. As a result, all employees of the Company have been provided with a channel through which they can give opinions and recommendations as well as to lodge complaints and make requests for information and assistance, directly to LPN. As a neutral organization, LPN undertakes and manages employees’ complaints in a transparent manner. Communication campaign by means of posters and leaflets in 3 languages spoken by our employees - which are Thai, Cambodian and Burmese - is launched so that our employees know about this channel for complaints. All employees can lodge complaints through calls made to the “Labor Voices Hotline by LPN” platform with 2 lines in Thai language, 2 lines in Myanmese, and 3 lines in Cambodian.

In addition, under the project "CPF Food from Heart against COVID-19", the Company supported LPN in providing fresh chicken eggs and ready meals to be included in care packages and distributed them to Thai and migrants including vulnerable groups in Bangkok and its vicinity. This is to alleviate suffering and hardships experienced during the COVID-19 pandemic and to make contributions for the benefit of Thai and migrants who have been affected and should equally have access to humanitarian care and not be left behind.

Welfare Committee of the Workplace

The Welfare Committee at Workplace is another communication channel between employees and the Company. It promotes equal awareness and mutual respect for human rights among all employees of all levels, both Thai and migrants, encouraging them to take part in expressing their viewpoints, opinions, suggestions, and lodging complaints through the elected representatives. The Company empowers employees of all levels and nationalities to be candidates at the election and represent other employees in the Welfare Committee at Workplace and to freely cast votes electing the Committee members in a transparent manner.

In addition, the Company has arranged for the number of Committee members to increase from a minimum number required by law of 5, with a maximum limit of 17 people in the Welfare Committee in appropriate proportion with the number of employees at an operating site. By actively promoting and campaigning, the Company expects that the Welfare Committee elected shall cover diverse and vulnerable groups of gender, race, religion, and people with disabilities. However, if the Welfare Committee elected does not cover such vulnerable groups, the Company shall set up a comprehensive Welfare Subcommittee. They are assigned to listen to voices and suggestions of employees in such vulnerable groups in order to present the issues to the Welfare Committee prior to a joint meeting with the management executives representing the Company.

At present, the Company has 113 welfare committee members with a total of 734 members, comprising 609 Thai and 125 migrants (83:17), counting for 404 females and 330 males (55:45).

Human Rights Award 2021

The Company received a plaque and certificate from the Prime Minister as being recognized an "Outstanding Organizational Model on Human Rights" (Human Rights Award 2021) in the category of large-scale business. The Company is praised for comprehensively integrating human rights principles in all dimensions of its operations. Aiming at systematically integrating the human rights principles in the operations throughout the supply chain, it has placed importance on employees and all stakeholders. The Company treats all stakeholders fairly and equally, with no discrimination - in a rigorous and proactive manner. Moreover, CPF monitors and evaluates outcomes, as well as desseminating and promoting the principles to its business partners and farmers across the supply chain to ensure their good practices in enhancing respect for human rights according to international standards. In particular, the Company has leveraged its capability as a mode organization to continually share knowledge and experience on human right issue management to different organizations, leading to a concrete sustainable socio-economic development.

Labor Relations Management

The Company places importance on labor relations. It fairly treats employees of all types, whether Thais or migrants, building a good relationship between the employer and employees to guarantee customers that, under the context the Company operates, goods and products produced by the Company shall be delivered alongside fair labor management in accordance with Thai laws and human rights principles. For example:

- Disciplinary action: The Company shall not discriminate, act or encourage the use of coercive punishment, either physically or mentally, and shall act in conformity with and fairly under the laws of Thailand and relevant good governance principles.
- Freedom of expression for workers: The Company allows actions to be taken through a form of committee established by laws, namely Welfare Committee or Safety and Occupational Health Committee.

- **Social Impact**

CPF recognizes its role of social participation in managing social and environmental issues which are significant factors for promoting food security and environmental balance. CPF therefore places great importance on holistic social development, promoting well-being, enhancing necessary knowledge and skills, supporting suppliers and communities to achieve better results, and getting ready for handling current and future challenges, all of which align with its commitment on creating social positive outcomes. CPF shall visit the areas to explore characteristics and needs of the surrounding communities in order to build community engagement and identify issues affecting the communities before starting any

projects/activities. This process truly enables quality of life promotion in the communities in accordance with their life styles and needs. CPF has built careers and incomes for smallholder farmers for over 40 years in the form of contract farming, supported buying and selling of local goods and services to boost circulation economics in the communities, provided bodies of knowledge to farmers who grow crops used as feed raw materials, promoted careers for small entrepreneurs and improved quality of life for the youth through "Raising Layer for Student's Lunch" Project, including supporting vulnerable groups such as the elderly, the disabled, and the disadvantaged, who are living in the areas surrounding CPF establishments, to have sustainable incomes and subsistence. In particular, during the outbreak of COVID-19 that caused trouble and suffering to a large number of people, CPF had implemented "CPF's Food From the Heart against COVID-19" project, extended help to more than 6,000 small suppliers, increased working capital, reduced unemployment rate, carried out reduction of payment period to be within 30 days, and joined forces with suppliers to donate food to the communities under "Krua Pan Im" project in order to develop the society and grow together in a sustainable way.

Balance of Nature

BALANCE OF NATURE

Limited natural resources, effects of climate change, environmental pollution, plastic waste in oceans, discarded food waste and exacerbating loss of biodiversity have directly and indirectly impacted on quality of life of people, food security and business continuity. Thus, CPF is committed to operating businesses to reduce environmental impact by taking actions to create positive environmental impact and promote conservation of natural resources throughout the value chain under the ambitions of "Climate Water & Waste Excellent", "Responsible Sourcing for the Planet" along with "Waste to Value" to ensure environmental balance towards a sustainable future.

The Company has given importance to formulating **vision, missions and policies on safety, occupational health, environment, and energy** (also known as "SHE&En Policy") as a framework for management in every country in which the Company invests, by focusing on activities that are environmentally and socially friendly with the most efficient use of resources. Moreover, it has integrated innovations and technology to mitigate environmental impacts, protecting and promoting the safety of employees and stakeholders, as well as building cooperation with contractors, suppliers and key partners to develop SHE&En work throughout the supply chain. In this regard, all operations are conducted in compliance with the law, requirements and various agreements entered into with stakeholders.

The Company has developed the **Safety, Health, Environment and Energy Standard**, or "CPF SHE&En Standard," as an important mechanism for the management and development of environmental quality to be effective. This CPF SHE&En Standard has been verified and certified by Lloyd's Register International (Thailand) Co., Ltd. (Thailand), which is an institute that holds knowledge, expertise and specialized experience in verifying and certifying many leading companies to guarantee they comply with standards that conform to relevant international requirements, including ISO14001:2015, or environmental management system ISO45001:2018, or Occupational Safety and Health Management System, and ISO50001:2018, or energy management system. This will enhance the confidence in the Company's safety, health, environment and energy management for all stakeholders. The content covers the following principles:

1. Assessing impacts on environment, occupational health, and safety, which cover the assessment of the impact of water use, greenhouse gas emission estimation, and energy consumption.
2. Determining process control measures that may cause environmental impacts and hazards to operators and further implementation.
3. Establishing a system to monitor performance and compliance with the law.
4. Developing a process for receiving and handling complaints, disputes regarding SHE&En, from internal and external stakeholders, to ensure problems that arose can be prevented and solved transparently and efficiently in order to achieve continuous improvements.

In addition, the Company has provided **training for its personnel** to equip them with knowledge, abilities, understanding, and awareness of SHE&En operations, which will lead to the implementation of the policy and SHE&En Standard throughout the organization. CPF requires that there shall be **auditing and certifying of standard operations** conducted by a third party (Third

Party Audit) at every department within Thailand on a yearly basis. The performance according to the CPF SHE&En Standard has been regularly reported to **the Executive Committee on Safety, Health, Environment and Energy** (CPF SHE&En Management, or CPF SHE&En MC), for the development of appropriate and timely management.

To measure progress and effectiveness in the management of safety, health, environment and energy of various departments under the Company's supervision, the Company has set up performance indicators on SHE&En, or SHE&En KPIs, as well as developing data collection processes in accordance with the Global Reporting Initiative Standard or GRI Standard. All departments are required to report data through a computer system on a monthly basis, to enable executives at the department level, business line, and overall Company to track information for use in business management in accordance with the Company's policies and goals.

- **Resources Management Excellent**

  Recognizing the changing trends and importance of natural resources which are significant costs for driving the economy and social development, CPF therefore never stop improving, extending and developing production processes. CPF integrates the concept of the Circular Economy with the operations throughout the value chain in accordance with CPF Safety, Health, Environment and Energy Policy to manage resources to gain highest benefit and continuously mitigate environmental impacts. These consist of:

  Climate Change Management

  The Company is committed to reducing the impact of climate change throughout the value chain by setting a target to reduce greenhouse gas emissions per unit of production by 25% in 2025, compared to 2015[/12]. In order to achieve the set target, the Company has carried out various projects as follows:

  - Science, innovation and technology such as artificial intelligence (AI), robots, and automations are applied in order to increase production efficiency while maximizing resource utilization;
  - Renewable energy is promoted to apply throughout production processes. For the feed business, biomass is used as an alternative fuel instead of using coal in boilers. The Company has changed the model of raising chickens in Thailand, adopting a so-called complex approach to enhance management efficiency. Chicken manure from complex farms shall be collected and used to produce biogas to be used as fuel for electricity generation for the farms. Solar energy is also used throughout the animal feed production processes, animal husbandry and food production such as CPF Solar Rooftop Project Phase 1 (completed in 2020) and Phase 2 (completed in 2022), which can reduce greenhouse gas emissions by up to 12,000 tons and 3,800 tons, respectively. In addition, the project "CPF Coal Free by the Year 2022" aims to reduce greenhouse gas emissions by cutting the use of coal at all plants. This enables the Company to lessen its greenhouse gas emissions by over 58,000 tons;
  - Low carbon products have been developed and certified with Carbon Footprint Reduction Label by Thailand Greenhouse Gas Management Organisation (TGO) since the greenhouse gas emissions are lower than average compared to the products in the same category. They include broiler feeds, fresh chicken products, fresh pork products and frozen duck and cooked duck products, all of which deliver value and contribute to the growth of the low-carbon product market. Moreover, CPF is the first company in Thailand whose duck products are certified with Carbon Footprint Label, and Carbon Footprint Reduction Label;
  - Carbon sequestration is promoted through conservation and restoration of forests and mangrove forests under the “CPF Rak Ni-Ves” and “CPF Grow-Share-Protect Mangrove Forestation” projects. CPF strives to increase green areas in its farms and factories as well.

  Pollution Management

  With awareness of the impact of air pollution, whether it is dust, odor or greenhouse gases, the Company has established measures to tackle the impact since the beginning as follows:

[/12] *Thailand operatins only*

- Install dust filters and deodorizers to prevent dust and odors generated by the production process from spreading out of the area, including bringing in an ozone system or a wet scrubber system to eliminate odors from the chimneys of animal feed dryers. In this regard, according to the measurement of air contaminants conducted by authorized agencies in 2021, it was found that the values were within the threshold prescribed by laws;
- Manage the odor issue of the terrestrial animal husbandry business by focusing on selecting a plant location that is situated in a distant proximity from the community and dense animal husbandry areas while also employing an evaporative cooling system. For the poultry farming business, rice husks are used as the foundation of the house barns, which, in addition to being a great booster for the growth of animals, it also helps eliminate odors;
- Plant trees on landbanks set between greenhouses and farm buildings to help absorb carbon dioxide and optimize the space.

Water Resources Management

The Company attaches great importance to the efficient use of water resources, mitigating impacts on the environment, stakeholders, and the Company's business operations. The guidelines for water risk management were formulated as follows:

- Perform baseline water stress of the watershed areas where CPF's establishments locate are annually assessed by applying the Aqueduct Water Risk Atlas which is developed by the World Resources Institute (WRI), in order to prioritize water management in operational unit-level.
- Set a system for collecting water consumption data of all units to be analyzed, planned, and to control water usage, which is suitable for all types of activities. Moreover, the Company has set a target to reduce the amount of water used per unit of production by 30% from the base year 2015 within 2025[/13].
- Maximizing water efficiency is conducted according to the 3Rs principle: reduce, reuse and recycle. The livestock feed business has used RO reject water for watering plants and washing roads. Shrimp farms and food processing plants have adopted ultra-filtration technology for treating used water so that it can be reused properly.
- Water is jointly managed by CPF and the communities, whereas swine and layer farming businesses provided treated water obtained from biogas generation system to the farmers and communities surrounding for being used as organic fertilizer, which reduces cost of cultivation, mitigates drought for the farmers and communities as well as fosters good relationships with the communities in a sustainable way

Waste Management

Most of the waste generated from the production process is organic and can be used for other purposes, both directly and indirectly, e.g., as animal feed, to produce fertilizers, or soil improvement materials, etc. The Company has set a target to reduce the amount of waste delivered to landfill and incineration sites per ton of production by 35% in 2025, compared to 2015[/14]. In order to achieve the set target, the Company has applied the 4Rs waste management principles in various activities in all business lines, trying to encourage reduction of waste at source to reduce the amount of waste that occurs (Reduce), especially plastic waste. This can be achieved by changing chemical packages to a refillable or larger container. For example, for operations in Thailand, Vietnam, Laos, Cambodia, the use of plastic bags in animal feed factories has been reduced as the goods are being packed in either big bags or silos. Moreover, the Company promotes reusing of waste and plastic containers in the ready-to-eat food industry within Thailand, the United States of America, Belgium, as well as recycling them for further use (Recycle). For example, removing sludge from a wastewater treatment system. Sludge was originally waste that a manufacturing plant has to dispose of at a landfill, which shall be made into compost. As a result, in addition to reducing environmental impacts of landfill waste, it can also reduce waste disposal costs. Moreover, the effort also includes reusing cooking oil that has undergone a frying process of a food factory, either domestically or internationally, by biodiesel manufacturers as a precursor, etc. In 2021, the Company can reduce the amount of waste to be disposed of at landfill and incineration sites by over 40% compared to the base year[/13].

[/13] *Thailand operatins only*

- **Responsible Sourcing for the Planet**

  Since the raw materials for the productions of CPF's products are rooted in natural resources. CPF is therefore committed to operating businesses that contribute to mitigating environmental impact and protecting biodiversity throughout its value chain, starting from responsible sourcing of raw materials to nature-based solutions.

  Supply Chain Management

  To ensure sustainable development and corporate growth under the vision of "Kitchen of the World", CPF recognizes the importance of security fundamentals management of responsible sourcing throughout the supply chain and building sustainable growth throughout CPF and suppliers' operations. Since 2015, CPF has started to share responsible business practices through communication and trainings on **the Sustainable Sourcing Policy and Supplier Guiding Principle**. CPF also extends the Policy to overseas suppliers, including incorporating Environment, Social, and Governance: Supplier Sustainability Self-Assessment of suppliers as part of the supplier initial sustainability assessment according to the **CPF Supply Chain ESG Management Approach**.

  CPF has plans to develop suppliers in a sustainable manner through communication and knowledge exchanges by on-site visits, audits, organizing annually Capacity Building for Partnership events and setting up Supply Chain Sustainability Focus Group meetings between our key suppliers and CPF's representatives to communicate and discuss a wide range of management issues under the Sustainable Sourcing Policy. Furthermore, CPF signed a Memorandum of Understanding (MOU) together with the Department of Labor Protection and Welfare to operate in line with the "Partnership Development Project towards Thai Labor Standards", in order to provide knowledge regarding labor management. It also aims to support companies in our supply chain to manage labor with responsibility and in compliance with national laws and regulations, and improve well-being, in line with our Sustainable Sourcing Policy and Supplier Guiding Principle.

  Sourcing Raw Materials from Sustainable Sources/ Deforestation-free Areas

  CPF shall not support key agricultural raw material plantations without title deed or causing forest encroachment. For fish meal, they must not come from source that is at risk of extinction. For these regards, CPF shall procure key raw material that can be traced back to plantation site or source, which is in line with the **Biodiversity and Zero Deforestation Commitment**. We aims to procure 5 key raw materials for using in the production processes, namely corn, fishmeal, soybean, palm oil and cassava, all of which are completely traceable back to sources/ plantation areas. We also aims to procure key raw materials from areas that are verified as deforestation-free by 2030.

  Since 2015 to the present, all fish meal procured for Thailand operations is made from by-product processing plants. Including, fish meal from by-product for Vietnam operations is made by processing plants which are certified MarinTrust; the best international standard for sustainable fishmeal and fish oil production. The fishmeal is traceable and not by-product of species that are at risk of extinction as defined in the IUCN Red List of Threatened Species™. Furthermore, CPF is expanding responsible sourcing of fishmeal for overseas operations.

  All corn used for animal feed production in Thailand operations is procured under the corn traceability system which CPF has developed since 2016. Suppliers are required to provide farmers' registration and/or juristic person registration information, all of whom own legal crop plantations with title deeds and must not invade forest areas before starting to sell products to CPF, whereas 100% of corn can be traced back to the plantation areas. In addition, CPF has continued to develop traceability practices of soybean meal, palm oil and cassava, including planning to monitorand verify sources of key raw materials to ensure deforestation-free.

  In the meantime, since 2015, CPF has continuously promoted farming knowledge and skills based on the Thai Agricultural Standard–TAS 4402-2010 - Good Agricultural Practices for Maize which can be applied to soil analysis, cultivation method, proper fertilizer use, weeding, and correct use of chemicals and communicated to farmers through the "Self-Sufficient Farmers, Sustainable Corn Project". CPF has also developed a system or/and an application to help smallholder farmers in Thailand access information for buying and selling products and knowledge of cultivation for higher yields as well as continuously supported on management of raw material transportation to animal feed manufacturing plants or points of purchase.

Biodiversity

CPF has not only focused on sustainable operations from the sources of key agricultural raw materials. CPF also recognizes the importance of promoting development of multi-species fishery which is specific characteristic of the fishery in the Gulf of Thailand, including applying nature-based solutions as a part in mitigating impact on biodiversity which is important to the world's ecosystems.

CPF, as a member of the Thai Feed Mill Association, has jointly worked with the Thai Sustainable Fisheries Roundtable (TSFR) to promote sustainable sourcing of fishmeal raw materials in the Gulf of Thailand, which has a variety of marine species, in order to have it certified the world-class standards through the Fishery Improver Project or FIP, as well as prepared a Fishery Action Plan (FAP) of the Gulf of Thailand since 2016.

The project was approved as the world's first project for MarinTrust Improvement Programme in 2020 in accordance with the requirements of the MarinTrust; Multi-species Assessment Methodology. This is considered a significant achievement in the protection and conservation of marine biodiversity in Thailand.

Since 2014, CPF has continuously implemented CPF Grow-Share-Protect Mangrove Forestation Project. Our dedication to conservation and restoration of mangrove forests in five provinces in Thailand has made mangrove ecosystems become fertile and serve as the nurseries for marine lives, resulting in the return of aquatic animal resources. The surrounding communities can take advantage of the restored natural resources. The communities in the project in two areas, namely the Pak Nam Prasae Community in Rayong Province and the Bang Ya Praek Community in Samutsakhon Province can further develop the restoring mangrove forest to become community-led ecotourism destinations.

Since 2016, CPF has conducted a reforestation project named; CPF Rak Ni-Ves at Pasak River Basin, Phraya Doen Thong Mountain, Lopburi Province, Thailand. Up to the present, the Project has transformed the arid land into greenery with many species of plants, revitalizing the nature. To confirm the number of species, camera traps have been used to observe and monitor the animals at Khao Phraya Doen Tong. The photos taken have helped confirm that foxes, which are the protected wildlife, were present at the restoration area. In addition, pine buntings were found in the project area. This was the first discovery in Thailand and Southeast Asia. The information has been collected for monitoring biodiversity development performance in strategic projects for natural-based solutions, which enable CPF on progress measurement.

- **Waste to Value**

CPF realizes the importance of management of waste derived from food production, consumption and post-consumption management of food waste and packaging, which are global issues that CPF cannot disregard as a food manufacturer, CPF is committed to solving problems related to food loss, food waste and packaging in order to maximize resource utilization. CPF therefore has set **goals, policies and practices regarding food Loss, food waste and sustainable packaging** on the basis of the **circular economy** throughout the value chain.

Food Loss and Food Waste

CPF establishes Food Loss and Food Waste Management Policy with objectives including promoting food loss reduction within our value chain and reducing volume of food waste in its business operational processes to be zero by 2030[/14], with the principles as follows;.

- Consolidate the data on food loss, surplus food and food waste in compliance with Food Loss & Waste Protocol in order to assess food loss and food waste as well as determine preventive measures to reduce food loss and food waste.
- Reduce food loss, surplus food and food waste throughout the production process and transportation, as well as food distribution channels and restaurants by efficient planning covering the production process, process control, quality control, storage and inspection, including adding values to by-products, surplus food and food waste.

[/14] *Thailand operatins only*

- Promote recovery of food loss, surplus food and food waste in order to utilize them as alternatives use on the basis of circular economy and food safety standards, which will bring benefits to society, reduce environmental impact and climate change, for example, using egg shell as soil amendment, and treating wastewater that contains organic matters such as blood and lipids by biogas system to generate bioenergy for producing steam to be used in the food processing process.
- Create stakeholder awareness and promote sustainable consumption and production to reduce food loss, surplus food and food waste by organizing collaborative projects, communication, education and campaigns, such as the "Empty Plate, Save the Planet" project, workplace campaigning for fellow employees to consume and appreciate food without leftovers as food waste, and the "Circular Meal, This Meal Changes the World" project in collaboration with the Scholars of Sustenance Foundation (SOS Thailand) and G.E.P.P. SA-ARD Company Limited (GEPP), whereas surplus food in the production and distribution processes as well as raw materials are delivered to various communities in Bangkok for cooking meals and easing the burden on community members.

Sustainable Packaging

CPF is dedicated to research, development, design and management of sustainable packaging on the basis of the circular economy throughout the value chain in order to maximize resource utilization on packaging production and reduce problems related to packaging waste, along with promoting the use of materials that help reduce the environmental impact.

- Strive to develop packaging that minimizes resource utilization; for instance, since 2013, the animal feeds business has used bulk feed tanks to replace the use of plastic feed bags; since 2006, the shrimp hatchery business has used Q-pass tanks to contain shrimp larvae instead of plastic bags, which can be cleaned, disinfected and reused; the integrated broiler production business in Thailand operations switched to used stainless trays instead of plastic bags to transport product parts within the production process; and reusable plastic baskets are used for transporting food products between production plants, distribution centers and customers. CPF is trying to phase out the use of single-use plastics; therefore drinking cups are designed and used in order to reduce the use of plastic straws in Star Coffee shops, and reusable containers are used at Chester's restaurants.
- Collaborate with material and packaging manufacturers to design packaging by taking into account quality and safety of food and reusability; develop 100% reusable plastic packaging by using technology of mono material plastic for double-layer film, for instance, packaging for CP Selection chilled fresh pork and chicken product and CP Egg Roll Omelette product. In addition, recycled materials are used in various packaging without affecting the quality of food products; including paper boxes and corrugated boxes used for packing goods for transportation are made from recycled paper, as well as egg trays that are made from recycled paper or recycled PET (rPET) plastic, etc.

More information regarding our commitments on "Climate Water & Waste Excellent", "Responsible Sourcing for the Planet" and "Waste to Values" is detailed in the Sustainability Report 2021 in Balance of Nature.

As CPF is committed to continuously operating integrated businesses under the sustainability strategy, we have operational plans to manage a wide range of issues, adapt to the current situation and be ready for any changes that may occur in the future. These include food innovations that enhance product value, consumer information, animal welfare, human resource management, supplier and and community care, resource management, food loss, food waste and packaging management, all of which enable CPF to operate its businesses towards stability and sustainability.

Remark: The sustainability performance 2021 is disclosed in the Sustainability Report 2021.

4. Management Discussion and Analysis

4.1 Performance

The following financial performance analysis is the analysis of financial information in accordance with the Company's consolidated financial statements of the year ended December 31, 2021.

4.1.1 Significant investments during the accounting period

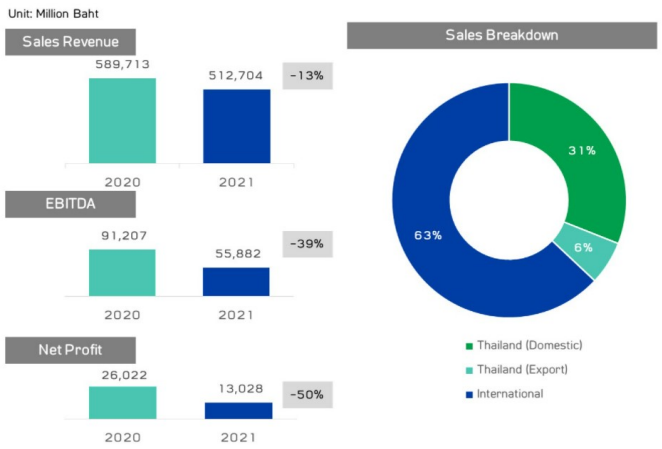
The entire business transfer ("EBT") of C.P. Retail Holding Co., Ltd. ("CPRH") to Sia Makro PLC. ("MAKRO") whereby MAKRO issued and offered ordinary shares to the public (Public offering or "PO")

During the fourth quarter of 2021, CPRH, a 20.00% indirectly owned associate of the Company through C.P. Merchandising Co., Ltd. ("CPM") has entire business transfer to MAKRO whereby MAKRO issued and allocated new ordinary shares to CPRH as a consideration of the EBT as payment in kind. The transaction had been completed on October 25, 2021, and as a result, the Company held 10.21% interest in MAKRO.

Upon receiving of MAKRO shares as mentioned above, CPM and another MAKRO shareholder jointly made a mandatory tender offer for all securities in MAKRO at the price of THB 43.50 per share during October 27 - November 30, 2021. CPM purchased 1,372 shares in MAKRO with the total value of THB 0.06 million.

During December 4-9, 2021, MAKRO issued and offered ordinary shares to the public (Public offering or "PO"). CPM also offered ordinary shares in MAKRO to the public for 66,000,000 shares. After the completion of the PO, the Company holds 8.85% in MAKRO.

4.1.2 Overview of Operating Performance



In 2021, the COVID-19 outbreak continues to affect the global economy. The company's business has been affected by the worsening outbreak of COVID-19. As a result, the consumer's purchasing power was reduced and the operating expenses of the company are increased. Therefore, the company reported a net profit of THB 13,028 million, a decrease of 50% compared to the previous year with the following factors:

1. Gross profit margin was 13%, lower than the year prior which was 18% mainly driven bythe level of swine prices. Especially in price level in Vietnam that dropped 20%, as well as the surge of feed price impacted by global raw material prices that rose over 20% on average from the previous year.
2. The decline of swine price also impacted the profit and (loss) from changes in fair value of biological assets that decreased THB 2,111 million from the previous year
3. Share of profit of associates decreased THB 5,087 million from the previous year due to decreased performance of associate companies in China, Canada, and CP All.

The Company's revenue from sales in 2021 amounted to THB 512,704 million, a decrease of 13% from the previous year which mainly resulted from the deconsolidation of Chia Tai Investment Co., Ltd. in December 2020. Without impact of the CTI deconsolidation, sales revenue in 2021 increased by 10%.

4.1.3 Performance by business

	2020		2021		Change
	Million THB	%	Million THB	%	
1. Thailand operations	180,570	31%	189,191	37%	5%
1.1 Domestic	151,429	26%	160,050	31%	6%
Feed	38,563	7%	43,441	8%	
Farm and processing	89,952	15%	91,893	18%	
Food	22,914	4%	24,716	5%	
1.2 Export	29,141	5%	29,141	6%	0%
Feed	58	0%	104	0%	
Farm and processing	8,506	1%	6,951	1%	
Food	20,577	3%	22,086	4%	
2. Overseas operations	409,143	69%	323,513	63%	-21%
2.1 China	157,688	27%	30,456	6%	-81%
Feed	117,430	20%	-	N/A	
Farm and processing	30,072	5%	20,050	4%	
Food	10,186	2%	10,406	2%	
2.2 Vietnam	107,793	18%	111,111	22%	3%
Feed	28,043	5%	33,066	6%	
Farm and processing	75,181	13%	72,209	14%	
Food	4,569	1%	5,836	1%	
2.3 Other countries	143,662	24%	181,946	35%	27%
Feed	34,097	6%	50,461	10%	
Farm and processing	70,980	12%	86,343	17%	
Food	38,585	7%	45,142	9%	
Total sales revenue	589,713	100%	512,704	100%	-13%
Other revenue	18,072		16,256		
Total revenue	607,785		528,960		-13%

Thailand operation

Operations in Thailand contributes 37% of the company's total sales revenue that amounted to THB 189,191 milion increased 5% from the year prior as a result of the increased sales of animal feed and the increased export of processed food products.

Overseas operation

Overseas operations contributes to 63% of the company's total sales revenue which amounted to THB 323,513 million a 21% decrease from the previous year as a resulf of the CTI deconcolidation. Without the impact of the CTI deconsolidation, sales revenue in 2021 increased by 10% due to the continuous expansion of the overseas operation especially those in Malaysia, India, and the Philippines.

4.2 Financial Status

(1) Assets

As of December 31, 2021 the copmay's total asset amounted to THB 842,681 million which consists of THB 216,550 million of current asset, THB 230,507 million of Property Plant and Equipment, THB 60.817 million of good will, v265,874 million of long-term investment, and other assets of THB 68,933 million.

Total assets increased 11% from 2020 amounted to THB 80,962 million mainly due to:

- An increase in inventories of THB 21,295 million due to the increased of feed raw materials prices as well as the increase in raw material reserves.

- Biological asset increased by THB 10,457 million largely from the increased inventories of fattening pigs due to the oversupply of the market in Vietnam.
- Long-term investment increased by THB 15,599 million, mainly from the acquisition of Makro's ordinary shares from CPRH's EBT transaction, resulting in an increase in investment value of THB 7,349 million and THB 4,391 million share of profit from CP ALL.
- Property, plant and equipment increased by THB 30,369 million, mostly from the business acquired in India and Russia amounting to THB 10,899 million, as well as operation expansion of the feed, meat processing and processed food businesses.

(2) Liabilities and Shareholders' Equity

As of December 31, 2021, the company's total liabilities amounted to THB 555,544 million, consisting of trade and other payables of THB 44,372 million, interest-bearing liabilities of THB 430,717 million, lease liabilities of THB 33,900 million, and other liabilitiess of THB 46,555 million.

Total liabilities increased from the end of 2020 by THB 56,004 million or an increase of 11%. The change was largely due to the increase of interest-bearing liabilities of THB 46,471 million to expand operations, make additional investments, and pay off loans. The debentures increased by THB 22,754 million and long-term loans from financial institutions increased by THB 36,328 million.

As of December 31, 2021, shareholders' equity amounted to THB 287,137 million, an increase of THB 24,958 million from the end of 2020 or an increase of 10%, mostly from the effect of THB 16,862 million from the conversion of financial statements.

(3) Asset Management

As of December 31, 2021, the Company reported THB 38,471 million trade and other receivables, which the management had implemented a credit risk control policy which analyzed the financial status of all customer who requested credit limit, and also consider other factors that may affect the customer's credit risk; this includes the risk of default related to the industry, and the country where the customers do business.

The company's inventories as of December 31, 2021 was THB 73,431 million, consisting of THB 40,765 million raw materials, THB 18,841 million of finished products, and THB 14,941 million of others inventories. The Company reported THB 1,116 million of allowance for decline in value of inventories which accounted for 1.5% of total inventories.

(4) Liquidity and capital adequacy

As of December 31, 2021, the Company reported a net decrease in cash flow of THB 22,029 million, with cash and cash equivalents at the end of the period amounted to THB 35,286 million, a 35% decrease from the end of 2020, with cash flows in each activity as follows:

Cash flow from operations amounted to THB 6,420 million, mainly from operating profit.

Cash flow spent on investments activities amounted to THB 22,705 million, mostly from THB 24,163 million investments expense, THB 10,704 million purchase of subsidiaries, and THB 11,568 million received from dividend income.

Cash flow spent in financing activities amounted to THB 5,744 million, mainly from THB 64,863 million in payment of loans and debentures, THB 29,981 million in payment interest and dividends, THB 5,046 million paid for lease liabilities. Cash flow received from financing activities consisted of THB 49,393 million from borrowing from financial institutions and THB 45,000 million from debenture issuance.

As of December 31, 2021, interest-bearing liabilities consist of; THB 218,154 million borrowing from financial institutions and bills of exchange, THB 211,107 million of debentures, and THB 15,000 million of perpetual subordinated bonds. Long-term borrowings and debentures due within one year were THB 39,065 million, and due after one year were THB 301,240 million.

As of December 31, 2021, 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[/15]	1.75	1.06
CPF debenture No. 2/2556 and debentures issued thereafter[/16 /17]	1.35	N/A

As of December 31, 2021, the total debt to equity ratio was 1.93 times, an increase from 1.91 times at the end of 2020. While the debt servicing capability declined, indicated by net debt to earnings before interest, income tax expense, depreciation and amortization which was 8.33 times on at December 31, 2021, up from 4.42 at the end of 2020. This resulted from the increase of long-term debt in 2021 from increased issuance of debentures and long-term borrowings from financial institutions and the decrease of EBITDA as a consequence of the decline of swine prices in Vietnam and the increase cost of feed production due to higher raw material prices compared to the previous year; the declined of swine price level also resulted in more loss from fair value of biological assets. Moreover, shared profit of associates decreased from associate companies in China, Canada, and CPALL. Debt service coverage ratio as of December 31, 2021 was 0.42 times, decrease from 0.65 times at the end of 2020 as a result the decrease EBITDA as aforementioned. In addition, the company's liquidity ratio according to the consolidated financial statements was 1.06 times, an increase from the end of 2020 which was 0.95 times. The increase was due to an increase in current assets mainly from increased inventories from feed raw material prices and increased raw material reserves as well as increase of biological assets due increased in the number of fattening pigs as a resulf of the oversupply in Vietnam. Current liabilities decreased due to a decrease in bill of exchange, and cash cycle was 47 days, which was more than the 40 days cash cycle of the previous year, mainly due to an increase in average sales period from increased raw material reserves as well as increased feed due to rising raw material prices. According to the cash flow and liquidity ratios, the Company has sufficient liquidity to operate business and ability to repay debts as well as to comply with loan conditions

4.3 Capital expenditures in 2021

Capital expenditures for 2021 for Thailand and overseas operations totalled THB 25,000 million (excluding capital expenditures for mergers and acquisitions). It is mainly for an investment in swine business in Thailand, aquatic business in Vietnam and broiler business in Russia. However, the capital expenditures may be adjusted according to changing circumstances.

4.4 Dividend payment

The Board of Directors' meeting held on February 25, 2022 passed a resolution approving the dividend payment according to CPF's operating results of the year 2021 to the shareholders in total at the rate of THB 0.65 per share. CPF already paid the first dividend payment to shareholders as an interim dividend at THB 0.40 per share on September 10, 2021. Therefore, the second dividend payment will be THB 0.25 per share which will be paid from profit after deduction of taxable losses. Therefore, recipients are subject to withholding tax according to rules and conditions of the Revenue Code. However, recipients who are natural persons shall not be entitled to a tax credit in accordance with Section 47 bis of the Revenue Code. In this regard, the Board of Directors shall propose such dividend payment to the Annual General Meeting of Shareholders No. 1/2022 which will be held on April 26, 2022 for further approval.

[/15] 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

[/16] Excluded perpetual subordinated bond

[/17] Net debt = Total interest-bearing dect excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

4.5 Events after the reported period

On December 15, 2021, the Special General Meeting of C.P. Pokphand Co., Ltd. ("CPP"), a 52.25% directly and indirectly owned subsidiary, approved the privatisation and withdrawal of listing of its ordinary shares from the Stock Exchange of Hong Kong Limited ("HKEX"). In this regard, the ordinary shares of CPP were withdrawn from HKEX on January 18, 2022.

On January 25, 2022, CPF Investment Limited ("CPFI"), a wholly-owned subsidiary of CPF, paid for the cancelled ordinary shares of CPP for 6,079,356,827 shares which equal to 25.26% totalling HKD 6,991 million or equivalent to THB 29,808 million sourcing from the internal cash resources and borrowing from financial institution. As a result, the Company's ownership interest in CPP increasing from 52.25% to 76.24%.

On December 9, 2021, CPF filed an offering circulars to the Securities and Exchange Commission to offer a 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"). Under the terms of the Debentures, CPF has the right to unconditionally defer interest and cumulative interest payments to Debentures holders without limitation on deferral period and times at the sole discretion of CPF. CPF offered the Debentures to institutional investors and/or general investors at offer price of THB 1,000 per unit for not exceeding 15,000,000 units amounting to THB 15,000 million and offered additional reserved Debentures not exceeding 3,000,000 units at the amount not exceeding THB 3,000 million. The total offering Debentures are not exceeding 18,000,000 units amounting to THB 18,000 million. The Debentures' interest rates during year 1 - 5 are 4.50%, per year after the fifth year, the interest rates are adjusted every 5 years based on (1) 5-year government bond yield, (2) Initial Credit Spread and (3) percentage as stipulated in the prospectus.

The above Debentures have a credit rating of "A-" with stable trend rated by TRIS Rating Co., Ltd. on December 7, 2021. In this regard, CPF will offer the Debentures during February and March 2022.

4.6 Factors affecting future performance

The spread of the covid-19 pandemic continued to impact the global economy. Although situations in many countries have improved, purchasing power have yet to return the pre-pandemic level, therefore impacting trading volumes and continued to pressure the price of meat in many countries.

The consequence of the conflict in Ukraine may keep the raw material prices for the feed products to remain high. The company has managed raw materials usage by adapting feed formulas to utilized substitution raw materials that maintain the quality and nutrition of feed products, to reduce 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 Results of Operations, topic 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.

4.7 Key Financial Information and Ratio

(A) Consolidated Statements of financial position of CPF and its subsidiaries as of December 31, 2019, 2020 and 2021

	As of December 31,					
	2019		2020		2021[/18]	
	THB million	%	THB million	%	THB million	%
Cash and cash equivalent	32,094	5	57,035	8	36,686	4
Accounts receivable - trade and others	33,118	5	29,952	4	38,471	5
Inventories	60,987	10	52,136	7	73,431	9
Current biological assets	37,104	6	38,925	5	47,955	6
Other current assets	15,343	2	16,622	2	20,007	2
Total current assets	**178,646**	**28**	**194,670**	**26**	**216,550**	**26**
Long-term investments	130,654	21	250,275	33	265,874	32
Investment properties	1,647	-	1,433	-	1,956	-
Property, plant and equipment	197,430	31	200,138	26	230,507	27
Right-of- use assets	8,520	1	32,373	4	34,664	4
Goodwill	87,762	14	54,565	7	60,817	7
Other intangible assets	14,405	2	13,143	2	13,649	2
Non-current biological assets	8,057	1	8,531	1	9,958	1
Other non-current assets	6,930	1	6,591	1	8,706	1
Total non-current assets	**455,405**	**72**	**567,049**	**74**	**626,131**	**74**
Total assets	**634,051**	**100**	**761,719**	**100**	**842,681**	**100**
Overdrafts and short-term borrowings	72,204	11	63,846	8	70,992	9
Bills of exchange	21,818	3	38,754	5	17,964	2
Accounts payable – trade and others	32,184	5	32,312	4	44,372	5
Current portion of long-term debts	42,727	7	41,199	6	43,504	5
Other current liabilities	28,778	5	28,035	4	27,096	3
Total current liabilities	**197,711**	**31**	**204,146**	**27**	**203,928**	**24**
Long-term debts	196,494	31	271,889	36	330,701	39
Provision for employee benefits	9,596	1	10,553	1	9,556	1
Other non-current liabilities	11,377	2	12,952	2	11,359	2
Total non-current liabilities	**217,467**	**34**	**295,394**	**39**	**351,616**	**42**
Total liabilities	**415,178**	**65**	**499,540**	**66**	**555,544**	**66**
Total equity	**218,873**	**35**	**262,179**	**34**	**287,137**	**34**

[/18] *Details of significant investments during the accounting period are presented in (4) Management Discussion and Analysis, pages 79*

(B) Consolidated statements of income of CPF and its subsidiaries for the years ended December 31, 2019, 2020 and 2021

	2019		2020		2021[19]	
	THB million	%	THB million	%	THB million	%
Revenue from sale of goods	532,573	98	589,713	97	512,704	97
Gains on sale of investments	8,090	1	1,575	-	2,388	-
Gains on loss of control in a subsidiary	-	-	11,199[20]	2	-	-
Gain from swap investment with shares	-	-	-	-	7,849	2
Others	4,217	1	5,298	1	6,019	1
Total income	**544,880**	**100**	**607,785**	**100**	**528,960**	**100**
Cost of sale of goods	456,269	84	482,470	80	446,815	84
Loss (Gains) on changes in fair value of biological assets	(3,235)	(1)	270	-	2,381	1
Selling and administrative expenses	57,396	11	62,021	10	50,602	10
Finance costs	13,785	3	16,818	3	16,596	3
Others	14	-	367	-	-	-
Total expenses	**524,229**	**97**	**561,946**	**93**	**516,394**	**98**
Share of profits of associates and joint venture	8,893	2	9,254	2	4,167	1
Profit before income tax	**29,544**	**5**	**55,093**	**9**	**16,733**	**3**
Income tax expense	5,446	1	11,001	2	2,654	1
Profit for the year	24,098	4	44,092	7	14,079	2
Non-controlling interests	(5,642)	(1)	(18,070)	(3)	(1,051)	-
Profit for the year attributable to equity holders of the Company	**18,456**	**3**	**26,022**	**4**	**13,028**	**2**

(C) Consolidated Statements of comprehensive income for the years ended December 31, 2019, 2020 and 2021

(Unit : THB million)	2019	2020	2021
Profit for the year	24,098	44,092	14,079
Other comprehensive income (loss) for the year, net of income tax	(13,999)	12,212	25,262
Total comprehensive income for the year	10,099	56,304	39,341
Non-controlling interests	(959)	(24,545)	(6,913)
Total comprehensive income for the year attributable to equity holders of the Company	**9,140**	**31,759**	**32,428**

(D) Consolidated statements of cash flows for the years ended December 31, 2019, 2020 and 2021

(Unit : THB million)	2019	2020	2021
Net cash provided by operating activities	40,609	71,038	6,420
Net cash used in investing activities	(26,648)	(75,919)	(22,705)
Net cash provided by (used in) financing activities	(12,034)	28,841	(5,744)
Net increase (decrease) in cash and cash equivalent	1,927	23,960	(22,029)
Cash and cash equivalents at the beginning of the year	30,043	30,377	54,407
Effect of exchange rate changes on the balances held in foreign currencies	(1,593)	70	2,908
Cash and cash equivalents at end of year	**30,377**	**54,407**	**35,286**

[19] *Details of significant investments during the accounting period are presented in (4) Management Discussion and Analysis, pages 79*
[20] *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

	2019	2020	2021
Liquidity ratios			
Current ratio[/21] (times)	0.90	0.95	1.06
Quick ratio[/22] (times)	0.34	0.43	0.38
Cash flow liquidity ratio[/23] (times)	0.21	0.35	0.03
Accounts receivable turnover[/24] (times)	14.06	18.11	14.54
Collection period[/25] (days)	26	21	26
Finished goods turnover ratio[/26] (times)	26.11	28.18	25.49
Finished goods turnover[/27] (days)	14	13	15
Inventory turnover ratio[/28] (times)	7.50	8.43	7.01
Inventory turnover[/29] (days)	49	44	53
Accounts payable turnover[/30] (times)	13.49	14.96	11.65
Payable period[/31] (days)	28	25	32
Cash Cycle[/32] (days)	47	40	47
Profitability ratios			
Gross profit margin[/33] (%)	14.33	18.19	12.85
Operating profit margin[/34] (%)	4.03	8.58	3.05
Other income to total income[/35] (%)	2.36	1.99	2.55
Cash to profit[/36] (%)	189.10	140.47	41.00
Net profit margin[/37] (%)	4.40	7.25	2.66
Return on Equity[/38] (%)	11.06	14.45	6.40
Operating Efficiency ratios			
Return on assets[/39] (%)	3.82	6.32	1.76
Return on fixed assets[/40] (%)	20.18	30.35	16.40
Asset turnover[/41] (times)	0.87	0.87	0.66
Leverage ratios			
Debt to equity[/42] (times)	1.90	1.91	1.93
Interest coverage[/43] (times)	4.36	5.81	3.39
Debt service coverage[/44] (times)	0.44	0.65	0.42
Net debt to equity[/45] (times)	1.71	1.62	1.75

[/21] *Current ratio = Total current assets / Total current liabilities*
[/22] *Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities*
[/23] *Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities*
[/24] *Accounts receivable turnover = Net sales / Average accounts receivable - trade and others*
[/25] *Collection period = 365 / Accounts receivable turnover*
[/26] *Finished goods turnover ratio = Cost of sale of goods / Average finished goods*
[/27] *Finished goods turnover = 365 / Finished goods turnover ratio*
[/28] *Inventory turnover ratio = Cost of sale of goods / Average inventory*
[/29] *Inventory turnover = 365 / Inventory turnover ratio*
[/30] *Accounts payable turnover = Cost of sale of goods / Average accounts payable*
[/31] *Payable period = 365 / Accounts payable turnover*
[/32] *Cash Cycle = Average collection period + Inventory turnover – Payable period*
[/33] *Gross profit margin = Gross profit / Net sales*
[/34] *Operating profit margin = Operating profit / Net sales*
[/35] *Other income to total income = Non-operating profit / Total income (excl. share of profits of associates and joint venture)*
[/36] *Cash to profit = Cash flow from operation / operating profit*
[/37] *Net profit margin = Net profit / Total income (excl. share of profits of associates and joint venture)*
[/38] *Return on Equity = Net profit attributable to equity holders of the Company / Average shareholders' equity*
[/39] *Return on assets = Net profit / Average total assets*
[/40] *Return on fixed assets = (Net profit + Depreciation) / Average fixed assets*
[/41] *Asset turnover = Total income (excl. share of profits of associates and joint venture) / Average total assets*
[/42] *Debt to equity = Total liabilities / Total shareholders' equity*
[/43] *Interest coverage = Earnings before interest, income tax, depreciation and amortisation / interest expenses*
[/44] *Debt service coverage = Earnings before interest, income tax, depreciation and amortization / (interest-bearing + debt matured in 1 year)*
[/45] *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)*

	2019	2020	2021
Net debt to equity[/46] (times)	1.33	1.22	1.35
Net interest-bearing debt to equity[/47] (times)	1.53	1.59	1.62
Dividend payout[/48] (%)	32.66	32.51	41.96
Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization[/49] (times)	5.54	4.42	8.33
Bill of Exchange to interest-bearing debt ratio[/50] (times)	0.07	0.09	0.04
Debt matured in 1 year to total interest-bearing debt[/51] (%)	41.15	34.66	28.82
Loan from financial institution to interest-bearing debt[/52] (%)	45.52	37.66	43.09
Debt issuane to interest-bearing debt[/53] (%)	53.45	54.58	49.30
Other interest-bearing debts to interest-bearing debt[/54] (%)	1.03	7.76	7.61
Net debt to earnings before interest, income tax expense, depreciation and amortization[/55] (%)	5.01	3.81	7.67
Loan from financial institution to total debt[/56] (%)	36.61	31.37	36.03

[/46] *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)*

[/47] *Interest-bearing debt to equity = Total interest-bearing debt / Total shareholders' equity*

[/48] *Dividend payout = Dividend paid / Net profit attributable to equity holders of the Company according to the Company's consolidated financial statements*

[/49] *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*

[/50] *Bill of Exchange to interest-bearing debt ratio = Bill of Exchange / Total interest-bearing debt*

[/51] *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*

[/52] *Loan from financial institution to interest-bearing debt = (Overdraft + loan from financial institution + debt from trust receipts)*100 / Total interest-bearing debt*

[/53] *Debt issuane to interest-bearing debt = (Debentures + bill of exchange)*100 / Total interest-bearing debt*

[/54] *Other interest-bearing debts to interest-bearing debt = (Lease liabilities + borrowing from related parties) / Total interest-bearing debt*

[/55] *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*

[/56] *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 2 due 2022 and Series 3 due 2032

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

Bondholders' representative: Agent and Securities Service Department, Bank of Ayudhya Plc.
1222 Rama 3 road, Bangpongpang,
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 Bondholders' representative: Securities Service Department, Bangkok Bank Plc.
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

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

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

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

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

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

(3) Auditor for the Year 2021

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 14, 2022, the latest record date, there were 26.00% 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, 2021. 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, Bangpongpang,
   Yannawa, Bangkok 10120 Thailand
   Telephone number 0-2296-4776
   Facsimile number 0-2296-4866



Charoen Pokphand Foods Public Company Limited

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

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



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



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

Notifications and regulations issued by the Securities and Exchange Commission



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

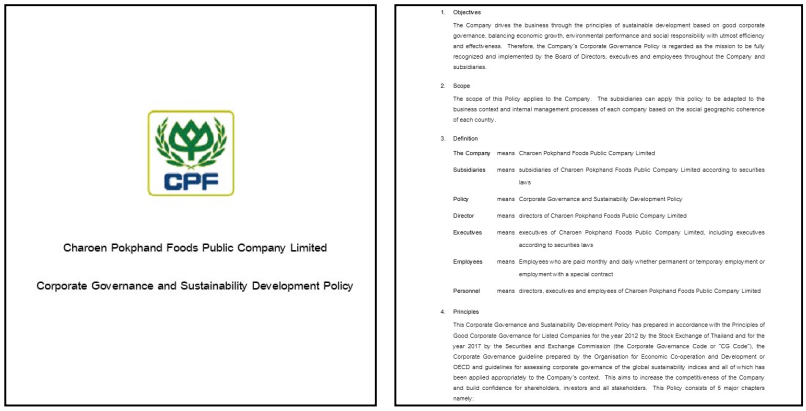
MSCI ESG by MSCI ESG Research is a collector of sustainability data of listed companies under MSCI All Country World Index

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)

The Company drives the business through the principles of sustainable development based on good corporate governance, balancing economic growth, environmental performance and social responsibility with utmost efficiency and effectiveness. Therefore, the Company's Corporate Governance Policy is regarded as the mission to be fully recognized and implemented by the Board of Directors, executives and employees throughout the organization. **An evaluation of the implementation of this Policy and report on the results thereof to the Board of Directors shall be made at least once a year**. In addition, the Company also provides an online learning about CPF Code of Conduct or business ethics, whereas employees and workers can take tests to obtain assessment results for ensuring that all employees understand their roles and duties of preventing improper operations or actions as well as their responsibilities for conducting business with integrity. In the event of encountering any actions that are against the law, rules and business ethics, employees shall report to relevant departments and such relevant departments shall further report to the compliance authority, or employees shall inform accordingly through the whistleblowing channels provided by the company.



Charoen Pokphand Foods Public Company Limited

Corporate Governance and Sustainability Development Policy

1. Objectives

The Company drives the business through the principles of sustainable development based on good corporate governance, balancing economic growth, environmental performance and social responsibility with utmost efficiency and effectiveness. Therefore, the Company's Corporate Governance Policy is regarded as the mission to be fully recognized and implemented by the Board of Directors, executives and employees throughout the Company and subsidiaries.

2. Scope

The scope of this Policy applies to the Company. The subsidiaries can apply this policy to be adapted to the business context and internal management processes of each company based on the social geographic coherence of each country.

3. Definition

The Company means Charoen Pokphand Foods Public Company Limited

Subsidiaries means subsidiaries of Charoen Pokphand Foods Public Company Limited according to securities laws

Policy means Corporate Governance and Sustainability Development Policy

Director means directors of Charoen Pokphand Foods Public Company Limited

Executives means executives of Charoen Pokphand Foods Public Company Limited, including executives according to securities laws

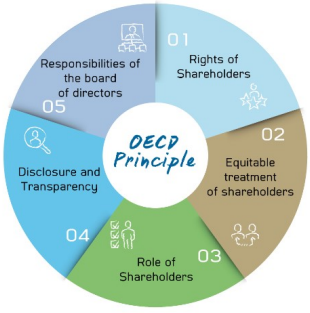
Employees means Employees who are paid monthly and daily whether permanent or temporary employment or employment with a special contract

Personnel means directors, executives and employees of Charoen Pokphand Foods Public Company Limited

4. Principles

This Corporate Governance and Sustainability Development Policy has prepared in accordance with the Principles of Good Corporate Governance for Listed Companies for the year 2012 by the Stock Exchange of Thailand and for the year 2017 by the Securities and Exchange Commission (the Corporate Governance Code or "CG Code"), the Corporate Governance guideline prepared by the Organisation for Economic Co-operation and Development or OECD and guidelines for assessing corporate governance of the global sustainability indices and all of which has been applied appropriately to the Company's context. This aims to increase the competitiveness of the Company and build confidence for shareholders, investors and all stakeholders. This Policy consists of 5 major chapters namely:

According to OECD Principles, the Company's Corporate Governance Policy consists of 5 major chapters and 12 key policies.[/57] The Company's Corporate Governance Policy and Practices are disseminated at Attachment 5 of Annual Report 2021 (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 acheive 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.



[/57] *Consists of 1. Conflict of Interest Policy, 2. Anti-corruption Policy, 3. No Gift Policy, 4. Sustainability Policy, 5. Code of Conduct for Business Partners 6. Supply Chain Management Policy, 7. Human Rights and Labour Practices Policy, 8. Whistle Blowing Policy, 9. Personal Data Protection Policy, 10. Occupational Safety and Health Policy, 11. Information Management Policy, and 12. Anti-money Laundering Policy*

The Board of Directors has considered **the corporate governance structure on the basis of risk management, internal control and compliance audit in order to ensure check & balance between various activities** throughout the organization, which shall support the Company to achieve its operational objectives as well as creates long-term competitiveness.

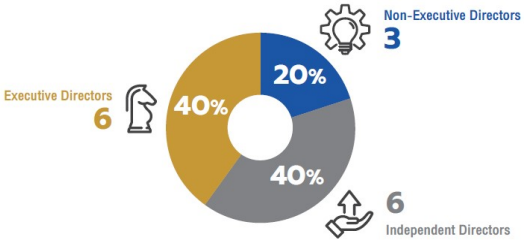
BOARD RESPONSIBILITIES



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

Board Composition

The Company's Board of Directors consists of 15 directors, comprised 6 independent directors, 6 executive directors and 3 non-executive directors. The Board of Directors shall be free of any relationship with the Management and has an autonomy to discuss, exchange opinions and make decisions on voting at meetings independently, including proposing meeting agendas and encouraging senior executives to attend meetings for receiving the Board's recommendations.





Moreover, a wide range of skills, knowledge, abilities, experiences, races, nationalities, genders, and ages are important factors in determining the Board composition in order to achieve effective work and a variety of ideas, etc. At present, the Board of Directors consists of 2 women: Mrs. Vatchari Vimooktayon, the independent director, and Mrs. Arunee Watcharananan, the executive director. The age range of the directors has expanded, whereas the minimum age of directors is 53 years.



	CPF BOARD SKILLS MATRIX														
	OTHER BUSINESS • INDUSTRIES			ACCOUNTING • FINANCE			OTHERS								
	Agro • Food	Health • Science	Retail • Wholesale	Business Management	Finance • Accounting	Economic	Corporate Governance & Sustainability	Risk Management	Management	Marketing	Human Resources Management	Tax	Business Laws	Research & Development	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. Professor Dr.Pongsak Angkasith	●	●		●			●	●							
7. Pol. Gen. Phatcharavat Wongsuwan			●	●			●								
8. Mrs. Vatchari Vimooktayon			●	●	●	●	●	●				●	●		
9. Mr. Vinai Vittavasgarnvej				●	●	●	●	●		●					
10. Professor Dr.Kittipong Kittayarak							●		●		●		●		
11. Mrs. Arunee Watcharananan	●			●	●	●	●	●	●		●	●	●		
12. Mr. Prasit Boondoungprasert	●	●	●	●	●	●	●	●	●	●	●		●	●	●
13. Mr. Siripong Aroonratana	●	●	●	●		●	●	●	●	●				●	
14. Dr.Sujint Thammasart, D.V.M.	●	●		●			●	●	●					●	
15. Mr. Paisan Chirakitcharern	●		●	●	●	●	●	●	●			●	●		●

In 2021, **the Board of Directors had convened totally 11 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 2022** are scheduled in advance. There will be the meetings in February, March, May, June, August, November and December.



To perform its roles more efficiently, **the Board of Directors has appointed specific committees** which consist of directors who have expertise and experiences in such aspects. The committees shall support in determining goals and operating practices for such areas before approval. The Company's committees include **(1) the Audit Committee, responsible for internal audit, internal control and risk management, (2) the 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 shall evaluate the Chief Executive Officer's performance annually in order to consider his renumeration on the basis of 2 major indicators, namely:

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



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



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

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

EXAMPLE OF REMARKABLE SUCCESS FOR CORPORATE GOVERNANCE AND SUSTAINABILITY OF THE COMPANY IN 2021

INTERNATIONAL

FTSE4Good

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

ASEAN CORPORATE GOVERNANCE 2019 AWARDS

CDP DRIVING SUSTAINABLE ECONOMIES

MSCI

Corporate Governance Asia ASIAN EXCELLENCE AWARD 2021 — Asia's Best CEO, Asia's Best CFO, Best Investor Relations Professional, Asia's Best CSR, Best Investor Relations Company

THE ASSET CORPORATE AWARDS 2020 ESG

BBFAW Business Benchmark on Farm Animal Welfare

NATIONAL

SET AWARDS 2021 — **"Cheeva Pork"** The Outstanding Innovative Company Awards in Sustainability

IOD Thai Institute of Directors — **"Excellence"** Corporate Governance Report of The Listed Companies (CGR) project for 2021

สมาคมส่งเสริมผู้ลงทุนไทย THAI INVESTORS ASSOCIATION — **"Full Score 100"** 2021 AGM meeting arrangement

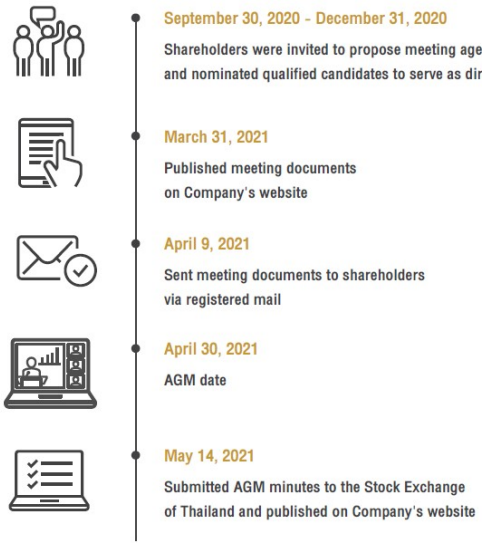
THSI THAILAND SUSTAINABILITY INVESTMENT 2021 — **"Thailand Sustainability Investment"**

ESG100 2021 Environmental • Social • Governance — **"One of ESG 100 Companies"** by Thaipat Institute for 2021

Rights of Shareholders

The Board of Directors recognises the shareholders' rights as prescribed by the law. Therefore the Board encourage shareholders to exercise their rights as appropriate and shall not take any action which violates or infringes the rights of shareholders, regardless of occurrence of any serious incident or situation that the Company cannot control. In 2021, for example, due to the outbreak of coronavirus disease ("COVID-19"), the Company had to change a method to convene Annual General Shareholders' Meeting to electronic meeting (E-Agm). The Company **has completely promoted the rights of shareholders**, whether **providing opportunity to minority shareholders to propose additional agenda** prior to the meeting of shareholders, as well as to **propose names of qualified persons to serve as directors** of the Company. In this regard, the Company disseminated criteria, information receiving channels and period of time for receiving information to the shareholders or **information and documents relevant to the Annual General Shareholders' Meeting on its website. Such information and documents were the same as those sent to the shareholders by mail, along with notices of meeting.** In the notice of meeting, it contains information including (1) the meeting agenda with Board's opinion,

PROCEDURE FOR CONDUCTING AGM



(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 2021 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 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 14 directors and senior executives in attendance of the 2021 Annual General Shareholders' Meeting, including Chairman, Vice Chairman, Chief Executive Officer, the committee members, Chief Operating Officer and Chief Financial Officer

Due to the 2021 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 2021 Annual General Shareholders' Meeting to the Stock Exchange of Thailand on May 14, 2021 (14 days from the meeting date), and simultaneously posted them on the Company's website.

Equitable Treatment of Shareholders

The Company's shareholders shall be treated equally and fairly based on their fundamental rights, whereas the Company has promoted equitable treatment of all shareholders. In the 2021 Annual General Shareholders' Meeting, **the shareholders were given opportunities to nominate qualified individuals for being election as directors in advance** for more than 3 months before the end of the fiscal year, which was September 30, 2020. In this regard, the Board of Directors determined the criteria, channels, and timing for submitting the matters and had them posted on the Company's website for shareholders' information.

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



Roles toward Stakeholders (including sustainability development)

The Company ensured that surrounded stakeholders have been fairly served upon human rights principles to mutually achive sustainable development. Stakeholder identification enables the Company to arrange a proper engagement plans and

policies for all stakeholder groups[/58], including prevention, correction and amelioration of the impacts arose directly and indirectly from the Company's business, and organize activities to take care and promote good relationship with stakeholders, namely shareholders, employees and labour, customers, business partners, trade competitors, creditors, community, and society with guidelines as set forth below.

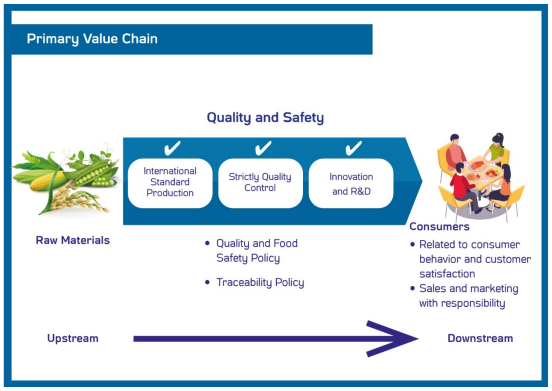
1. The Company shall provide measures to indemnify stakeholders who sustain damage as a result of the Company's acting in violation of their statutory rights.
2. The Company shall open up to whistleblowing and complaints relating to any violation of law or the Company's ethics, which can be made through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

Key elements of each stakeholder engagement are summarized as follows:

Shareholders: The Board of Directors acts as a representative of the shareholders in monitoring and supervising the management to manage the businesses according to the determined objectives and guidelines for sustainable growth and appropriate returns for shareholders. The Company discloses the Company's financial information and other matters in an adequate, transparent and reliable manner, whereas the Investor Relations Office and Company Secretary Office is assigned to act as a channel of communication between investors or shareholders and the Company. The Company also announced the policy on inside information and securities trading to ensure and promote fair and equitable treatment of shareholders including ethical standard for directors, management and employees regarding inside information.

Employees and Labour: Holistic social care includes caring and treating employees and workers in accordance with human rights principles that are in alignment with basic principles of the Universal Declaration of Human Rights, treating employees equally according to their rights based on values and capabilities, developing human resource in accordance with individuals appropriate potential and expertise, along with enhancing employees qualities of life as well as living wages that are suitable with local economic and social conditions. The Company has work management to support suppliers throughout the production chain, small businesses and farmers through networking and knowledge sharing in order to grow steadily together. In addition, the Company has also improved partner farmers knowledge and taken care of the community around the establishment, along with participating and engaging in the management of human rights issues in the supply chain, whether child labor, forced labor or migrant labor, including environmental issues that entrepreneurs are involved in.

Customers: The Company has placed priority on quality and safety of all products and services. This commitment is not only limited to the Company's production chain, but covered all value chains of businesses the Company has operated. Stated alternatively, The Company has placed priority throughout product lifecycles from upstream to downstream or from sources of raw materials to consumers worldwide with international manufacturing standards and stringent quality control, all of which are in alignment with the Company's Quality and Food Safety Policy and Food Traceability Policy of food production. The Company has also placed emphasis on innovation creation and dedication to research and development to enhance its



[/58] *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*

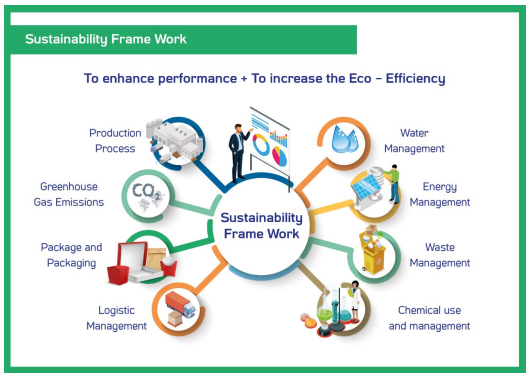
production efficiency in order to produce foods that are consistent with consumer satisfaction and behavior. In addition, the Company shall conduct its sale and marketing in accountable and honest manner with accurate information and comply with relevant rules and regulations.

Partners: The Company treats all 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 agreements must be clearly defined, both type of products or services and term of payments, and approved by relevant parties.

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.

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.

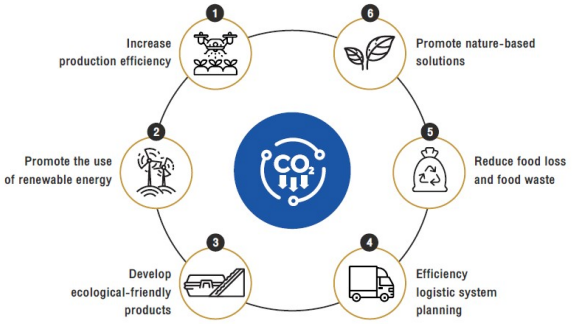
Community and Society: Recognizing values and importance of natural resources and environmental which are completed upstream factors and fundamentals of agro-industry and food security, the Company has placed high importance responsible uses of resources and mitigation of environmental impacts caused 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.



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.

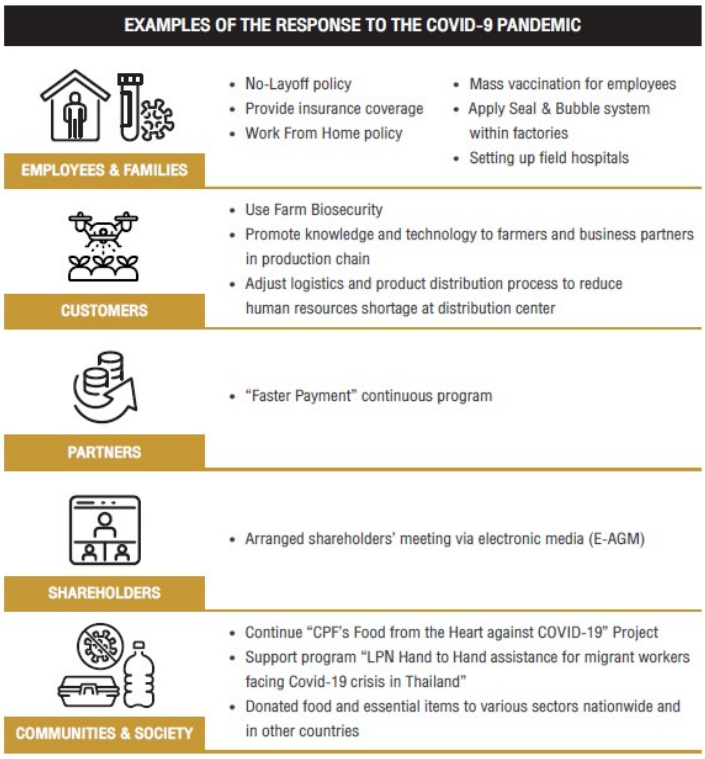
In addition to recognizing the rights of all groups of stakeholders, the Company has also **taken steps to respond to crises, e.g., the COVID-19 outbreak, in a timely manner**. This is to mitigate the impacts that occur to all groups of Company's stakeholders by promptly establishing a "Management Center for COVID-19 " with sub-centers to deal with the situation and

closely monitor the issue. At the same time, online meetings (VDO Conference) are held regularly. The Company's actions can be summarized as follows:

Shareholders: The Company places importance on health and safety of all shareholders and meeting attendees. Also, in order for the Company to conform to applicable laws, the form of the Annual General Shareholders' Meeting No. 1/2021 has been changed, from a physical meeting to an electronic mean (E-AGM).

Employees and Labor: The Company adheres to **a zero-layoff policy** regardless of the pandemic impacts. In addition, it also offers **health insurances that cover COVID-19 infection**. At the same time, measures are in place and required to be strictly followed. For example, employees need to report their timelines in the Company's "CPF Connect" application on a daily basis alongside MorChana and Thai Chana applications, both of which were rolled out by the government sector to facilitate risk assessment and to collect data when one is visiting risk areas. CPF educates employees about health care as well as driving the Work-from-Home policy to reduce congestion and risks of COVID-19. Furthermore, the Company also procured vaccinations for Section 33 insurers, as well as alleviating the burden on the government by purchasing alternative vaccines for its employees. Meanwhile, the Company has applied Seal & Bubble system in several factories by proactively examining all employees and dividing employees into 2 groups. Those with positive results shall be transferred to field hospitals for further treatment. For those who are not infected or whose test result turns negative, CPF shall arrange sterilized transportations for relocation to a provided facility. This is to protect employees from travel risks. The field hospitals arranged by the Company do meet the required standards of the Ministry of Public Health with medical personnel close supervision. If a patient has red-coded symptoms, such patient will be transferred to the hospital immediately. This is a comprehensive infection control, starting from prevention to treatment at all levels.

Customers: The Company attaches utmost importance to the production of food that is safe and sufficient for everyone's consumption with the introduction of a biosecurity system in animal husbandry (Farm Biosecurity), which is a system to prevent or reduce the risk of disease, from entering or spreading out of farms or house barns, animal husbandry facilities, slaughterhouses, animal product processing plants, including transport vehicles, waste management equipment, waste container, animal remains, and wastewater. Moreover, this farm biosecurity is the most effective way to control the disease. It is a basic practice, starting from farming to food production, to assure that food safety is traceable throughout the production chain and the foods can be produced continuously without interruption. CPF ensures food security while also cascading knowledge and technology to farmers and suppliers throughout the production chain to enhance safety of raw materials in food production. The Company has also adjusted the product transportation and distribution procedures. That is, goods were originally transported from plants to distribution centers before being delivered to the final destination. However, at present, it has been changed to transporting goods directly from the manufacturing plant to the final destination in order to solve the problem of labor shortage at the distribution centers, which may also result in short-term stock shortage.



Partners: The Company is concerned about the liquidity of its suppliers, especially small and medium-sized enterprises (SMEs), or individuals who are recovering and are at risk of being aggravated by the new surges of COVID-19. The Company continued to carry out a "Faster Payment" project by paying for goods and services, or

limiting a credit term to within 30 days for all SMEs that have the registered capital of not more than THB 5 million, totaling approximately 6,000 suppliers, to help enhance their liquidity and continuity while also playing an important role in the overall economic growth of the country.

Community and Society: The Company continues to extend the "**CPF Delivers Food from the Heart Against the COVID-19**" project by delivering safe food and medical supplies to public health personnel working in major hospitals and field hospitals across the country, including vulnerable persons who are affected, such as the elderly, the handicapped and the underprivileged. In addition, the LPN Hand to Hand Humanitarian Assistance for Migrant Workers Facing Covid-19 Crisis in Thailand project has been continued since the first outbreak in 2020 with the distribution of ready meals and fresh eggs to the Labour Protection Network, or LPN. These foods were packed in survival bags and given away to Thai workers, migrant workers, and vulnerable groups of people, including bedridden patients, the disabled, and those in the affected society, to ensure that they have sufficient access to safe food and the basics for living. Furthermore, CPF has donated fresh food, ready-to-eat meals, frozen food, drinking water and essentials to agencies, organizations, temples, schools and various sectors all over Thailand and in many countries in which the Company is present, or situated its branch offices, e.g., Vietnam, Cambodia, Laos, Philippines, Turkey, the United States and Russia, etc.

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, securities trading rules 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 benefitial to shareholders and investors.


Charoen Pokphand Foods Public Company Limited
and its Subsidiaries

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

KPMG

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 2021, 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 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

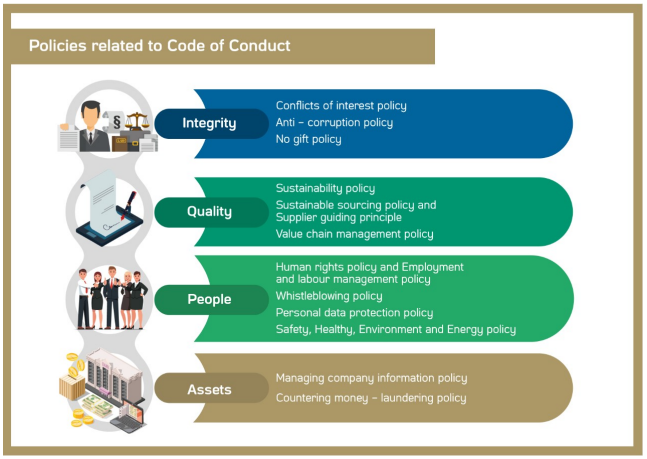
Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements in the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

6.2 Code of Conduct

CPF Code of Conduct covers fundamental principles and operating guidelines for all directors and employees of the Company, which shall be adhered and carried out mutually and appropriately by all according to the Company's anticipations. It addresses the Company's business principles, corporate values, compliance-based business ethics and regulatory compliance, including operational supervisions to meet the anticipations accordingly, for of which for benefits of standardized work performances of all directors and employees based on morality and integrity. Detail in this Code of Conduct does not cover every specific circumstance, but shall serve as guidelines for particular manner decisions to ensure correctness and appropriateness of the decision made under each circumstance. The Company's directors and employees therefore shall:



- understand the principles and practices, especially matters related to duties and responsibilities of each person,
- consult superiors or work units relevant to such regulations or policies in case of uncertainty whether any action is conformed to the CPF Code of Conduct or not,
- communicate with subordinates or related parties to ensure understanding according to the CPF Code of Conduct, and
- conduct whistleblowing through channels determined in CPF Code of Conduct or relevant policies when experiencing improper action against the CPF Code of Conduct and cooperate with investigations undertaken, whereas such whistleblower shall be protected according to the Company's policy.

To ensure that all employees shall comply with the same business ethical standard, the Company has therefore set up a total of 12 related policies which are divided into 4 categories including: (1) Morality; (2) Quality; (3) Personnel; and (4) Asset. Investors can study the aforementioned business ethics disseminated on the Company's website at https://www.cpfworldwide.com/en/investors/report-56-1-2021/attachment.

6.3 Major Changes and Developments of Implementation of Corporate Governance in 2021

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 2021, the Company had performed as follows:

- **Established Corporate Governance and Sustainable Development Committee** 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;
- **Considered and reviewed sustainability framework** and **revised Corporate Governance and Sustainable Development policy**;
- The Remuneration and Nominating Committee had **reviewed the criteria for determining qualifications of the Company's directors in terms of skills, knowledge, expertise, and experiences of the Board (Board Skills Matrix)** in accordance with the Company's business goals, whereas **risk management expertise, management and personnel**

management were determined as the ones among specialized knowledge and expertise that the Board of Directors (Board Skills Matrix) should have;

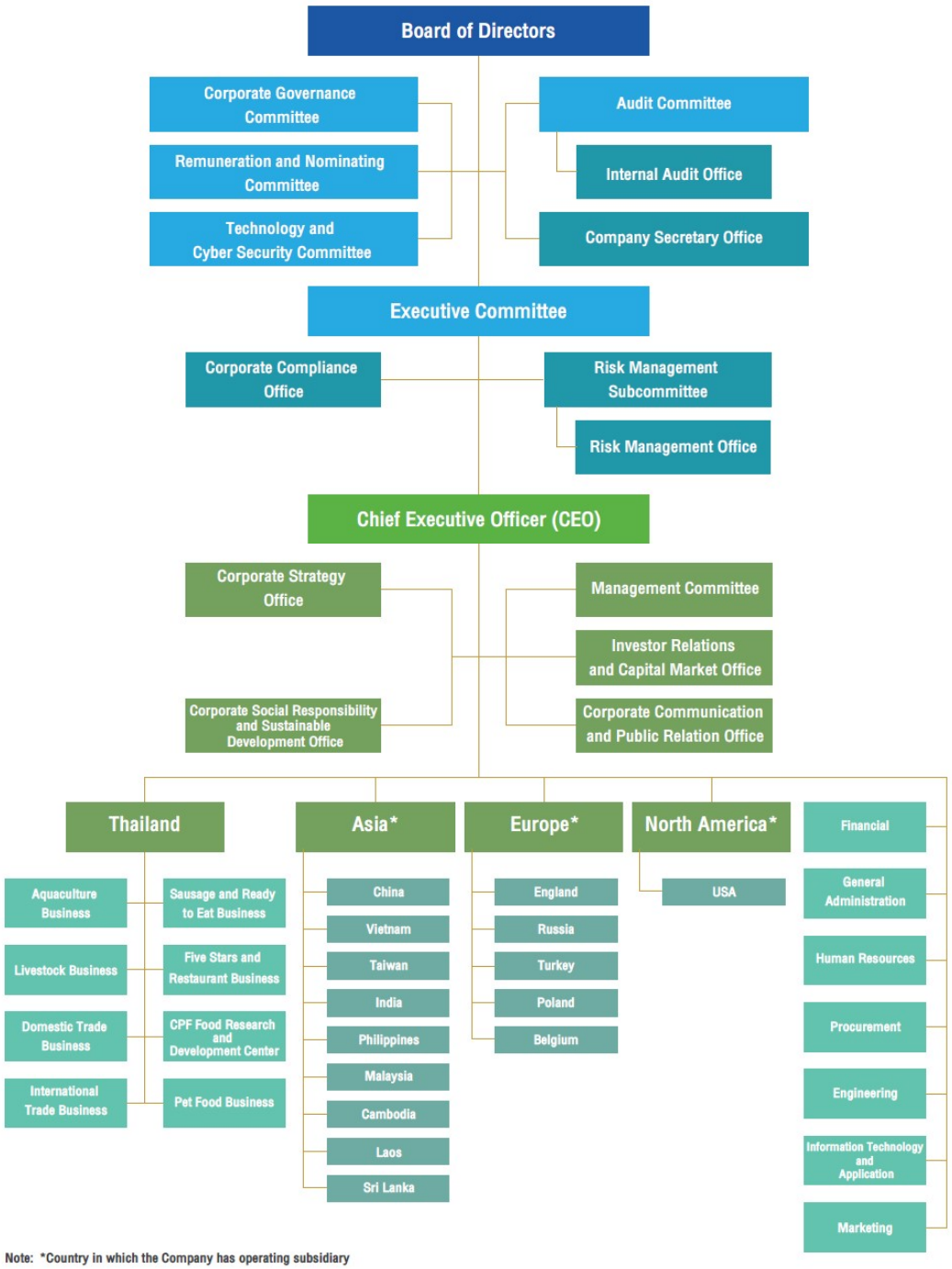
- **Prepared online learning materials about corporate governance and sustainable development** for all management, employees and workers both domestic and overseas to enhance the awareness and adapt to their responsibilities such as Foundation of Corporate Governance, Personal Data Protection Act and Digital Literacy 100;
- Established **internal communication plans on anti-corruption and accepting gift**, etc.;
- Conducted an **employee engagement survey** in order to determine guidelines for improving and enhancing employee engagement since employees play a key role in driving the organisation towards sustainability;
- Update of communicate new laws and amendments;
- Compared corporate sustainability and corporate governance scores rated by external organisations.

Nonetheless, there were certain principles of conduct according to the CG Code that the Company was still unable to implement in 2021, which included:

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

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committes, Executives, Employees and Others[/59]

7.1 The Company's management structure as of January 1, 2022



Note: *Country in which the Company has operating subsidiary

[/59] *"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 January 1, 2022, 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	Sripratak	Vice Chairman[1]
5. Mr. Rungson	Sriworasat	Director[2]
6. Professor Dr. Pongsak	Angkasith	Director[2]
7. Pol. Gen. Phatcharavat	Wongsuwan	Director[2]
8. Mrs. Vatchari	Vimooktayon	Director[2]
9. Mr. Vinai	Vittavasgarnvej	Director[2]
10. Professor Dr. Kittipong	Kittayarak	Director[2]
11. Mrs. Arunee	Watcharananan	Director[1]
12. Mr. Prasit	Boondoungprasert	Director[1]
13. Mr. Siripong	Aroonratana	Director[1]
14. Dr. Sujint	Thammasart, D.V.M.	Director[1]
15. Mr. Paisan	Chirakitcharern	Director[1]

Remarks [1] Authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed
[2] Independent director

Mrs. 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 January 1, 2022, the Company's Board of Directors comprised 6 independent directors (equal to 40% of the total number of directors), 6 executive directors and 3 non-executive directors. The Board of Directors appoints the Chairman and Vice Chairman.

Roles and Responsibilities of the Board of Directors

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

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

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

Roles and Responsibilities of Chairman of the Board of Directors

(1) To consider the meeting agenda of the Board of Directors;

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

(3) To give the casting vote in the case of the votes of the Board are tied; and

(4) Perform the duty specified by law as the duty to be performed by the Chairman.

Roles and Responsibilities of the Board of Directors

(1) To perform its duties in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of shareholders meetings, with due accountability, care and integrity;

(2) To determine the major policies for business operations, as well as the policies relating to finance, mobilization of funds, funds management, management of the Company's risks, allocation and management of information technology, and to supervise the management for the implementation of these policies in an efficient and effective manner;

(3) To consider and approve the Company's vision and mission, and cause a review thereof every year;

(4) To consider and approve the Company's objectives, strategies and business plans as well as conduct a review thereof every year, and to monitor the results of the implementation of those prescribed plans;

(5) To consider and approve matters other than those which are within the authority delegated to the President, or matters which must be approved by the Board of Directors or a shareholders meeting as prescribed by the law or the relevant rules or procedures of the Company;

(6) To set up an internal control system covering the areas of business operations, financial reporting and compliance with the laws and the Company's rules, policies and procedures. In this regard, the Internal Audit Office has the duty to audit the compliance with this internal control system, and make a report to the Audit Committee. The Board of Directors will evaluate the risk management system and assess the adequacy and appropriateness of the internal control system on a yearly basis, and will review the significant systems at least once a year. The Board of Directors will also provide its opinions thereon in the annual report;

(7) To promote innovation and the use of technology to enhance competitiveness with responsibilities to social and environmental matters and ensure that management take it into their consideration when reviewing the Company's strategies;

(8) To assess the compliance with corporate governance policy and conduct a review thereof at least once a year;

(9) To appoint Chief Executive Officer (CEO), to supervise and ensure that CEO performs his duties in accordance with the Company's corporate governance policy and the scope of authority delegated by the Board of Directors, and to conduct an annual evaluation of CEO's performance in order to support the determination of his remuneration;

(10) To appoint directors or executives to serve as directors of the subsidiaries in order to oversee their operations in accordance with their investment objectives;

(11) To appoint the Company Secretary who is to be responsible for all matters as required by the law;

(12) To appoint the Audit Committee, the Executive Committee and other committees, such as the Remuneration and Nominating Committee, in order to assist the Board of Directors in supervising the business with a view to achieving the prescribed objectives. The majority of the committee members shall be independent directors. The chairmen of the committees must be independent directors; and

(13) To set up a plan for director and management development, as well as a succession plan.

7.3 Sub-Committee

Audit Committee

CPF's Audit Committee has been appointed by the Board of Directors. The current Audit Committee term is for a period of three years which expires on December 23, 2023. As of January 1, 2022, the members of the Audit Committee are the following four independent directors:

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

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

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

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

The Audit Committee has to conduct meetings at least four times in any one-year period. At each Audit Committee meeting, the Audit Committee is empowered to invite Chief Executive Officer (CEO), Chief Operating Officer, Chief Financial Officer, executives, auditor and Head of the Internal Audit Office to attend, for clarification purposes. The Audit Committee also meets the Company's External Auditor at least once a year and without management in attendance. During 2021, the Audit Committee held 11 meeings 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 January 1, 2022, the Corporate Governance and Sustainable Development Committee comprises four members: three members are independent directors, and the remaining is an executive director, as follows:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Corporate Governance 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	Sripratak	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 January 1, 2022, the Remuneration and Nominating Committee comprises four members: two members are independent directors, one member is non-executive director and the remaining is an executive director, as follows:

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

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

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

Roles and Responsibilities of the Remuneration and Nominating Committee

(1) To establish the rules and process for nominating individuals qualified to be the Company's directors and member of the Audit Committee;

(2) If there is a vacancy on the Board of Directors or the Audit Committee, to propose an individual qualified to fill such vacancy to the Board of Directors for its consideration;

(3) To review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes;

(4) To conduct an annual evaluation of the performance of the Board of Directors, and to report such evaluation to the Board of Directors;

(5) To establish and review the policy and guidelines relating to directors' remuneration which is suitable for their responsibilities, and commensurate with the prevailing level of the industry and the benefits expected from them whereby the Company's operating results and the directors' duties and responsibilities are taken into account. Such policy and guidelines must also be in accordance with the policy established by the Board of Directors Any proposed change in the remuneration, from that which has been approved by a shareholders meeting, must be submitted to the Board of Directors for its consideration and then to a shareholders meeting for its approval; and

(6) To perform any other tasks relating to its duties and responsibilities, as requested by the Board of Directors.

To efficiently perform and accomplish its duties and responsibilities as assigned by the Board of Directors, the Remuneration and Nominating Committee shall meet at least twice a year to consider, discuss any matters and take any action according to its duties and responsibilities. The Remuneration and Nominating Committee may invite other parties such as independent advisor to attend the meetings as appropriate. During 2021, the the Remuneration and Nominating Committee held 3 meeings.

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 January 1, 2022, 7 members of CPF's Technology and Cybersecurity Committee are as follows:

Name	Surname	Position
1. Mr. Adirek	Sripratak	Chairman of the Technology and Cybersecurity Committee
2. Mr. Prasit	Boondoungprasert	Member of Technology and Cybersecurity Committee
3. Mr. Paisan	Chirakitcharern	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 Remuneration and Nominating 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 January 1, 2022, the members of CPF's Executive Committee are as follows:

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

Authorities of the Executive Committee[/60]*:*

The Executive Committee has authorities to approve the following matters

(1) The establishment of new subsidiaries with registered capital not more than THB 800 million;

(2) The acquisition by CPF or subsidiaries

(a) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is not exceed THB 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;

(b) Merger or acquisition in terms of assets acquisition where the value is not exceed THB 800 million;

(c) Investment or shareholding restructuring within the group by means of sale and purchase of shares or businesses or merger within the group;

(3) Capital Expenditure

(a) Capital expenditure of CPF or subsidiaries, where the value of the project is more than THB 100 million but not exceed THB 800 million;

(b) Capital expenditure of CPF or subsidiaries already approved, where the value of the project is more than THB 100 million but not exceed THB 800 million and the expenditure is 10% over the approved budget

(c) The transactions requiring registration with Land Office, i.e.

(c1) Purchase or be transferred immovable properties according to the capital expenditure approved by the Board of Directors or Executive Committee, as the case may be;

(c2) Sell or transfer immovable properties as approved by the Board of Directors or Executive Committee, as the case may be;

(c3) Lease or let immovable properties which is ordinary course of business or supporting ordinary course of business;

(4) Treasury and Accounting

(a) Accept trade finance / working capital facilities between CPF and commercial banks;

(b) Provide or accept long-term financial assistance between CPF and its subsidiaries;

(c) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than THB 100 million but not exceed THB 800 million;

[/60] *Approved by the Board of Directors' meeting No. 7/2019, dated December 13, 2019.*

(5) Personnel
  (a) Appointment of directors of subsidiaries and associates, according to the principles approved by the Board of Directors
  (b) Human resource development plan and succession plan, appointment and rotation, performance assessment criteria, determination and adjustment of salary and other benefit of Chief Operating Officer and Head of Business Unit level;

(6) Governance
  (a) Annual compliance plan for the group;
  (b) The issue of consolidated and separate financial statement for the year and quarter of CPF;
  (c) The appointment of representative to attend shareholders' meeting of direct subsidiaries.

Primary Responsibilities of the Executive Committe[/61]*:*

(1) To scrutinize the following matters before they are submitted to the Board of Directors of CPF or subsidiaries or sub-committees (as the case may be) for approval
  (a) Corporate strategies, goals & long-term business plan and annual budgets of the group;
  (b) Purchase or acquisition of investment in shares or equity of any juristic person, where the value is more than THB 800 million except any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting of CPF or its subsidiaries;
  (c) Merger or acquisition in terms of assets acquisition where the value is more than THB 800 million;
  (d) The capital expenditure of CPF or its subsidiaries, where the value of the project is more than THB 800 million;
  (e) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than THB 800 million;
  (f) Propose the qualified person to be appointed as the CEO of CPF;
  (g) Annual risk management plan for the group;

(2) To monitor the the following matters performed by management team
  (a) The performance according to the goal, long-term business plan and annual budget of CPF or its subsidiaries ;
  (b) The progress of investment project and its actual performance compared to the budget of each project;
  (c) The progress of human resources development plan;

(3) To conduct an annual evaluation of the performance of the top management;

(4) To report matters which approved by Executive Committee as assigned by the Board of Directors;

(5) To perform any other tasks as requested by the Board of Directors.

In addition to the above 5 committees, the Company 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 January 1, 2022, CPF's executives comprises the following:

1.	Mr. Prasit	Boondoungprasert[/62]	Chief Executive Officer (CEO)
2.	Mr. Siripong	Aroonratana[/62]	Chief Operating Officer - Livestock Business
3.	Dr. Sujint	Thammasart, D.V.M.[/62]	Chief Operating Officer - Aquaculture Business
4.	Mr. Paisan	Chirakitcharern[/62]	Chief Financial Officer
5.	Ms. Pimonrat	Reephattanavijitkul[/62]	Chief People Officer
6.	Mr. Rewat	Hathaisattayapong	Executive Vice President - Livestock Feed Business

[/61] *Approved by the Board of Directors' meeting No. 7/2019, dated December 13, 2019.*
[/62] *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*

7.	Mr. Somporn	Jermpong	Executive Vice President - Swine Business
8.	Mr. Panuwat	Niamprem	Senior Vice President - Poultry Integration Business
9.	Mr. Somkid	Wannalukkhee	Senior Vice President - Egg Business
10.	Dr. Ming Dang Chen		Executive Vice President - Research and development of aquatic feed
11.	Mr. Pairoj	Apiruknusit	Executive Vice President - Aquaculture Intrgrated (Thailand)
12.	Mr. Robins	Mcintosh	Executive Vice President - Aqua Broodstock Business
13.	Mr. Premsak	Wanuchsoontorn	Executive Vice President - Research and development of aquaculture
14.	Mr. Ekpiya	Ua-wutthikrerk	Senior Vice President - Domestic Trade business
15.	Mr. Anat	Julintron	Executive Vice President - International Trade and business development
16.	Mr. Narerk	Mangkeo	Executive Vice President - Ready-to-eat food business
17.	Mr. Voravit	Janthanakul	Executive Vice President - General Administration Unit
18.	Mr. Sunsern	Samaisut	Executive Vice President - Information Technology and Application Unit
19.	Dr. Sommai	Tachasirinugune	Executive Vice President - Office of Research and Development
20.	Mr. Peerapong	Krinchai	Executive Vice President - Engineering Unit
21.	Mrs. Kobboon	Srichai	Company Secretary

Executives who are responsible for International area comprises the following:

1.	Mr. Bai Shanlin		China
2.	Mr. Montri	Suwanposri	Vietnam
3.	Mr. Nick	Shaw	United Kingdom
4.	Mr. Thong	Chotirat	Republic of China (Taiwan)
5.	Mr. Chainan	Nuphet	India - Livestock Business
6.	Mr. Wichit	Tanesanurak	India - Aquaculture Business
7.	Mr. Steve	Young	United States
8.	Mr. Terry	O'Brien	United States
9.	Mr. Sakol	Cheevakoset	The Phillippines
10.	Mr. Santipharp	Seesuwanphip	Malaysia - Livestock Business
11.	Mr. Wirat	Phothiphan	Malaysia - Aquaculture Business
12.	Mr. Thomas	Norgaard	Russia
13.	Mr. Buree	Srina	Russia - Livestock Business
14.	Mr. Preeda	Chunwong	Cambodia
15.	Mr. Paradon	Jinkunthong	Turkey
16.	Mr. Thamnong	Pholthongmak	Laos
17.	Mr. Marcin	Swiac	Poland
18.	Mr. Michael	Tops	Belgium
19.	Mr. Habeeb Mohamed Ziauddin		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 2021 for 5 executives[/63] amounted to a total of THB 212 million, which included monthly salary and other benefits. Total CPF shares value held by the said executives / total executves' remuneration was 0.12 times.

Other remuneration - None -

7.5 Personnel

As of December 31, 2021, the Company had a total of 128,548 employees and workers who received remuneration in 2021 totaling THB 58,309 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	39,162	77,372
2. Central units	9,533	2,481
Total	**48,695**	**79,853**

* 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).

[/63] *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*

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 qualifications of auditors include performance and remuneration. The Audit Committee, therefore, has criteria for auditor firm selection process which shall be taken on at least every seven accounting period. The latest selection process took place since the appointment of auditor for the accounting year 2018.

The Audit Committee reviewed base on the above criteria and opined to propose Mrs. Munchupa Singsuksawat C.P.A. (Thailand) Registration No. 6112, Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No. 4068, and Miss Sawitree Ongksirimemongkol C.P.A. (Thailand) Registration No. 10449 of KPMG Phoomchai Audit Limited as CPF's auditors for the year 2020 to the Annual General Shareholders' Meeting No.1/2021. The Meeting then approved as proposed.

The remunerations that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited and its related companies in 2021[1], were as follows:

(Unit : THB)	CPF	Subsidiaries
1. The audit fees on company's accounts	3,877,000	96,435,736
2. Other audit fees on special projects	290,500	740,000
3. Other fees	568,000	14,208,867[2]

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

[2] Comprised Due Diligence service fee, tax consulting service fee and others

8. Major Implementations of Corporate Governance

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

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

Every board member of the Company currently has residence status in Thailand. They are experienced and understand the various obstacles that can arise in the course of the Company's business operations. They undertake their roles effectively and can create competitive advantage for the Company as well as provide beneficial insights into the Company's business operations and risks relating to the Company's businesses. Furthermore, every board member is fully qualified, which means that they all possess the qualifications that are stipulated by law, i.e. as laid down in the Public Company Limited Act and Securities Act. Every Independent Director is qualified in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (No. 2) as specified in Responsibilities of the Board of Directors in Corporate Governance Policy.

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

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

There were 5 directors whose retirement coincides with the Annual General Shareholders' Meeting No. 1/2021, namely;

1. Mr. Phongthep Chiaravanont
2. Mr. Suphachai Chearavanont
3. Mr. Rungson Sriworasat
4. Mrs. Vatchari Vimooktayon
5. Mr. Prasit Boondoungprasert

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. Phongthep Chiaravanont, Mr. Suphachai Chearavanont, Mr. Rungson Sriworasat, Mrs. Vatchari Vimooktayon and Mr. Prasit Boondoungprasert to the shareholders' meeting to consider re-appointment as directors for another term. The Annual General Shareholders' Meeting No. 1/2021 approved accordingly. In addition, during 2021, Professor Dr. Kittipong Kittayarak has been appointed to be the director replacing Mr. Chingchai Lohawatanakul 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. In 2020, the Company had provided the directors and executives knowledge on the Company's nature of business, such as new products, operating business with information technology, technology and cybersecurity implementation, and compliance, including knowledge on changing corporate governance principles, and relevant laws which include Personal Data Protection Act, along with the Company's operational guidelines on such matters. There were 3 directors participating in the trainings and seminars on the courses related to performing director duties, as follows:

- Dr. Sujint Thammasart, D.V.M.	Director Certification Program No. 310/2021 by Thai Institute of Directors Association
- Mr. Paisan Chirakitcharern	TFRS Update and Pratical Issues 2021 (September 29, 2021), KPMG Thailand TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2021, Topic "Economic update for CFO" (October 19, 2021), Thai Listed Companies Association

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

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

The evaluation result of the performance of the Board as a whole for the year 2021 was Excellent. It can be concluded that structure and characteristics of the Board are appropriate for the nature of the Company's business and revenue size which enable the Board to perform its duty effectively. Meanwhile, Board of Directors paid much attention to consider various agendas and monitor the performance of previous approved investment projects as well as matters related to good corporate governance such as risk management, internal control/audit and compliance. Directors has discussed productively and respected different view without restraint and without conflicts among directors and management. In addition, the Board has also regularly undertaken self-development to enhance their knowledge in various topics that are beneficial to the business operations of the Company.

Individual director has to assess his/her performance covering two major areas, i.e. (1) director' knowledge and understanding, and (2) the performance of duties as a director. The assessment for the year 2021 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. The assessments for the year 2021 if Audit Committee, Corporate Governance and Sustainable Development Committee and Remuneration and Nominating Committee were excellent.

8.1.2 Directors' Attendance and Remuneration

Directors' Attendance at the Meetings in 2021

Name	Surname	Number of Meetings Attended [1]						
		Directors Meeting						Annual General Shareholders' Meeting No. 1/2021
		Board of Directors	Audit Committee	Remuneration & Nominating Committee	Corporate Governance Committee	Corporate Social Responsibility & Sustainable Development Committee	Corporate Governance & Sustainable Development Committee[2]	
1. Mr. Soopakij	Chearavanont	11/11						Attend
2. Mr. Phongthep	Chiaravanont	11/11						Attend
3. Mr. Suphachai	Chearavanont	11/11		3/3		0/1		Attend
4. Mr. Adirek	Sripratak	11/11		3/3	1/1	1/1	1/1	Attend
5. Mr. Rungson	Sriworasart	11/11	11/11		1/1		1/1	Attend
6. Professor Dr. Pongsak	Angkasith	11/11	11/11	3/3		1/1		Attend
7. Pol. Gen. Phatcharavat	Wongsuwan	11/11		3/3		1/1	1/1	Attend
8. Mrs. Vatchari	Vimooktayon	11/11	11/11					Attend
9. Mr. Vinai	Vittavasgarnvej	11/11	11/11		1/1			Attend
10. Professor Dr. Kittipong	Kittayarak[3]	4/4					1/1	
11. Mrs. Arunee	Watcharananan	11/11						Attend
12. Mr. Prasit	Boondoungprasert	10/11						Attend
13. Dr. Sujint	Thammasart, D.V.M.	11/11						Attend
14. Mr. Siripong	Aroonratana	11/11						Attend
15. Mr. Paisan	Chirakitcharern	11/11						Attend
16. Mr. Chingchai	Lohawatanakul[4]	5/6						Abstain

Remarks [1] The number of meeting attended is counted according to the term of office

[2] The Board of Directors appointed the Corporate Governance & Sustainable Development Committee in replacement of the Corporate Governance Committee and the Corporate Social Responsibility & Sustainable Development Committee effective from November 16, 2021

[3] Being appointed as a director effective from September 1, 2021

[4] Resigned from his position as a director with effect from August 30, 2021

In addition to the above meetings, **non-executive directors held 1 meeting, during 2021, 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. 1/2021 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. Remuneration and Nominating Committee	per meeting	50,000	30,000
3. Corporate Governance Committee	per meeting	50,000	30,000
4. Corporate Social Responsibility and Sustainable Development Committee	per meeting	50,000	30,000

The monetary remuneration in 2021 of the Board of Directors amounted to a total of THB 73.8 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 2021 to be approved by the Annual General Shareholders' Meeting No. 1/2022.

In addition, some directors also received remuneration as director of subsidiaries which amounted to THB 4.5 million. Remuneration of the Audit Committee for 2021 was THB 12.6 million. Details of these are given in the following table:

Unit : THB

Name	Surname	2021			CPF shares value* held by each director / his (her) CPF director remuneration (times)
		CPF		Subsidiaries	
		Director	Audit Committee	Director	
1. Mr. Soopakij	Chearavanont	8,392,400	-	-	-
2. Mr. Phongthep	Chiaravanont	6,294,550	-	-	8.06
3. Mr. Suphachai	Chearavanont	6,294,650	-	-	0.37
4. Mr. Adirek	Sripratak	6,294,550	-	770,000	0.59
5. Mr. Rungson	Sriworasat	4,196,300	5,400,000	-	-
6. Professor Dr. Pongsak	Angkasith	4,196,300	2,400,000	-	0.55
7. Pol. Gen. Phatcharavat	Wongsuwan	4,196,300	-	-	-
8. Mrs. Vatchari	Vimooktayon	4,196,300	2,400,000	-	-
9. Mr. Vinai	Vittavasgarnvej	4,196,300	2,400,000	-	-
10. Professor Dr. Kittipong	Kittayarak	1,129,600		-	-
11. Mrs. Arunee	Watcharananan	4,196,300	-	680,000	49.71
12. Mr. Prasit	Boondoungprasert	4,196,300	-	1,220,000	3.04
13. Mr. Siripong	Aroonratana	3,808,300	-	500,000	0.93
14. Dr. Sujint	Thammasart, D.V.M.	3,808,300	-	-	0.44
15. Mr. Paisan	Chirakitcharern	3,779,000	-	1,365,250	0.67
16. Mr. Chingchai	Lohawatanakul	4,600,050	-	-	N/A

** Calculated from closing price on December 30, 2021*

8.1.3 Supervision of Subsidiaries and Associate Companies' Operations

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

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

8.1.4 Monitoring Compliance with the Corporate Governance Policy and Practices

Prevention of Conflicts of Interest

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

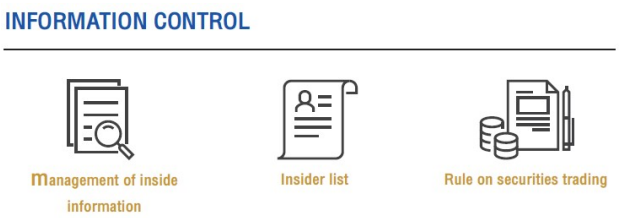
With regard to the Board of Directors' meeting, **if any director has conflict of interest in the agenda being considered, such director shall immediately disclose the details of his/her conflict to the Board of Directors and shall not participate in participate in voting on such agenda**.

In 2021, the Company entered into related transactions which were (1) normal business transactions or supporting normal business which had general commercial terms and in accordance with the principles of entering into the transaction as prescribed in Section 89/12(1) of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which the Board of Directors approved in 2008, and (2) transactions that were not normal business or supporting normal business in accordance with the conditions prescribed in the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, Re: Rules on Connected Transactions for Transactions That Are not Normal Business or Supporting Normal Business, i.e. (1) the acquisition of 43.30% additional ordinary shares of C.P. Aquaculture (India) Private Limited and (2) the disposal of certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels. The Company fully complied with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand, including appointing the independent financial advisor and seeking approval from the Company's shareholders' meeting.

Supervision of Inside Information Usage

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

1. The Company has an information security policy, securities trading rules and guideline for information disclosure with an aim to ensuring that significant information which may affect the price and value of its securities has been disseminated correctly, and in accordance with the relevant laws and regulations. Moreover, the policy also determine the proper measures to preserve the confidentiality of the information which all directors, executives and employees are obligated to strictly adhere. This policy includes the management and type of inside information as well as the method to disseminate such information publicly.



2. The Company has **prepared name lists of working groups' members undertaking projects that contain significant information which have not yet been disclosed to the stock exchange**. All persons who can access to internal information must strictly comply with the policy and regulations relating to the use of inside information.
3. The Company has the **securities trading rules** which indicates that the Company's directors, executives and all persons who can access to inside information must prepare and submit a report on the holding, sale and purchase of securities issued by the Company within the period of time prescribed by the relevant law and regulations whenever there is a change. The Company Secretary Office must also report changes in the securities holdings of the directors and executives to the Board meeting on a quarterly basis and report changes in the securities holdings of the persons who can access to inside information to the Executive Committee meeting on a quarterly basis. In addition, the regulation on securities trading also clearly specify the blackout periods as follows:

(1) since the following date after the end of each quarter until (include) the day which CPF discloses its quarterly financial performance (2) since the beginning of project containing significant information which have not yet been disclosed to the stock exchange which have not disclosed publicly until (include) the end of such project and (3) any other period that the Company Secretary might specify from time to time.

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

In 2021, there was no violation of the policy and rules on the use of inside information.

Anti-Corruption

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

To conduct the business according to the aforementioned intent, the Company has established **the Anti-corruption Policy** in writing to be applied as the business framework for all departments. The Company's directors, executives and employees must not engage or accept any form of corruption, either directly or indirectly. The Anti-corruption is applied with all businesses and all departments. The Company **regularly audits the implementation of the Anti-corruption Policy as well as reviews the guidelines and operational requirements to be in line with changes in business, rules, regulations and legal requirements**. The investors can study the Company's Anti-corruption Policy disseminated on the Company's website at https://www.cpfworldwide.com/en/investors/report-56-1-2021/attachment. In this regard, the Company has communicated the Anti-corruption Policy and related practices to emp**loyees at all levels through various forms and channels. It has been translated into 12 local languages** to cover communicating in every country in which the Company has invested.

In 2021, 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. Certified as the CAC Change Agent to build a clear and transparent business alliance and encourage SMEs to take part in the CAC SMEs in order to create a transparent supply chain and further expand the anti-corruption coalition.

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) 2021.





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.: 0-2673-1105 and 0-2673-1092-3
  Fax: 0-2673-1090
  E-mail: iaoffice@cpf.co.th
  Website: https://www.cpfworldwide.com/th/contact/form
- Consumer Center Tel.: 0-2800-8000
  E-mail: consumercenter@cpf.co.th

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



The Audit Committee who is independent from management will consider and Internal Audit Office will examine all whistleblowing and complaints. In 2021, the number of whistleblowing and complaints that had been submitted to the Company via various channels was 155 matters. After investigation, the Company found that 3 of which were fraud and 31 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	3	0	0	0	0
2. Non-compliance	31	21	8	1	1
3. Corruption and bribery	0	0	0	0	0

8.2 Audit Committee Activities during 2021

Significant activities carried out by the Audit Committee during 2021 under the scope of duties and responsibilities can be summarized, as follows:

1. 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 2020, there was no significant comment given by the auditor and no suspected behaviors being reported.

2. Considered 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. 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. 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. 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. 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. Selected and nominated the auditor as well as considered the audit fee on an annual basis in order to propose to the Board of Directors for approval and present at the Annual General Shareholders' Meeting. According to its resolution, KPMG Phoomchai Audit Limited was appointed to be the auditor of the Company and its subsidiaries, except in some countries. The appointment was made based on qualifications, knowledge, competence, and independence of the auditor, including the appropriateness of the audit fee.
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, COVID-19 situation monitoring, its impacts and Company's prevention measures, including the report on the incident when the Company invested in Lotus's business.

8.3 Activities of Other Subcommittees

Corporate Governance and Sustainable Development Committee

Significant activities carried out by the Corporate Governance and Sustainable Development Committee (including activities carried out by the Corporate Governance Committee and the Corporate Social Responsibility and Sustainable Development Committee) during 2021 under the roles and responsibilities assigned by the Board of Director can be summarized as follows:

1. Evaluated the compliance with the Corporate Governance Policy for 2020;
2. Considered and reviewed sustainability conceptual framework and revised Corporate Governance and Sustainable Development policy;
3. Approved new sustainability strategies and goals: "CPF 2030 Sustainability in Action";
4. Approved 2022 implementation plan.

Remuneration and Nominating Committee

Significant activities carried out by the Remuneration and Nominating Committee during 2021 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 2021, 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 2021 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, 2020 - December 31, 2020. 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 2021 in order to propose to the Board of Directors and to the 2021 Annual General Shareholders' Meeting, whereas such consideration was made according to the assigned duties, position levels in the industry and sizes of the companies as well as the Company's performance and their responsibilities.

3. Considered, reviewed and defined skills, knowledge, expertise, and experiences to be included in a composition of the Board of Directors (Board Skills Matrix) in accordance with the Company's business strategies of both short and long terms by realising the importance of driving the organisation towards its goals, as well as determining risk management expertise, management and human resources management as specialized knowledge for being included in the Board Skills Matrix in order to ensure the Company's preparedness to keep up with significant environmental changes and be able to manage risks in crises, including being beneficial to the Company's business operations.

4. Reviewed and developed 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 Transactions[66]

9.2.1 Related Transactions which are ordinary course of business or supporting transaction occurred during 2021, 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.

Unit : THB million

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
1. C.P. Tower Growth Leasehold Property Fund	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	151	1
		Accounts receivable	-	4
		Lease liabilities	-	105
		Purchase of right-of-use assets	34	-
2. Kabinburi Agriculture Co., Ltd	• Watcharapatr Co., Ltd., the major shareholder, is the related person of Mrs. Arunee Watcharananan (director of CPF) and child of Mr. Adirek Sripratak (director of CPF) • Child of Mrs. Arunee Watcharananan (director of CPF) are directors	Lease liabilities	-	30
3. Bangkok Vet Drug Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	70	6
		Sale of goods and other income	21	6
4. Kasetphand-Agritech Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	25	-
5. Kasetphand Industry Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Other income	3	1
		Construction costs and other equipment	995	124
		Lease liabilities	-	12
		Purchase of right-of-use assets	14	-
6. Gosoft (Thailand) Co., Ltd.	• Subsidiary of CPALL Plc. (“CPALL”)	Other expenses	40	50
7. Khao C.P. Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	156	2
8. K.S.P. Equipment Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income	1	-
		Construction costs and other equipment	532	33
9. Charoen Pokphand Group Co., Ltd. (“CPG”)	• 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	3	2
		Purchase of goods and other expenses	11,023	401
		Technical service fees	103	2
		Trademark license fees	4,304	250
10. Counter Service Co., Ltd.	• Subsidiary of CPALL	Bill payment services and cash in remittance process	-	192
		Accounts payable	-	1
11. Charoen Pokphand Produce Co., Ltd.	• 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	1	-
		Purchase of goods and other expenses	133	4
12. Charoen Pokphand Seeds Co., Ltd	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Phongthep Chiaravanont is the common director	Purchase of goods	277	25
13. Charoen Pokphand Engineering Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	67	6

[66] *Investors may explore related party transactions occurred during 2019-2020 in Registration Statement for the year 2019-2020 on SEC website or CPF website at https://www.cpfworldwide.com/en/investors/report-56-1*

[67] *“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[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
14. Charoen Pokphand Enterprise Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Other income Purchase of goods and other expenses	1 155	- 12
15. Chef Cares Project Co., Ltd.	• Spouse of Mr. Soopakij Chearavanont (director of CPF) is shareholder and director	Sale of goods and other income	120	17
16. C.P. Consumer Products 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	221 94	62 10
17. C.P. Trading Group Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Phongthep Chiaravanont is the common director	Sales of goods	75	3
18. C.P. Food Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income Purchase of goods and other expenses	19 244	2 18
19. C.P. Poly-Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	627	54
20. C.P. Intertrade Co., Ltd.	• 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	4 356	11 53
21. C.P. Interfood (Thailand) Co., Ltd.	• CPG is the major shareholders	Purchase of goods and other expenses	335	35
22. C.P. Packaging Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	149	14
23. C.P. Retailink Co., Ltd.	• Subsidiary of CPALL	Sale of goods and other income Purchase of goods and other expenses Purchase of equipment	2 60 43	2 4 -
24. CP ALL Plc. (“CPALL”)	• 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	9,466 43	2,048 11
25. CP-Meiji Co., Ltd.	• Joint venture of CPF • Mr. Phongthep Chiaravanont, Mr. Adirek Sripratak, Mr. Prasit Boondoungprasert and Mr. Paisan Chirakitcharern are the common directors	Sale of goods and other income Purchase of goods and other expenses	472 850	24 95
26. CP Match Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	128	7
27. CPRAM Co., Ltd.	• Subsidiary of CPALL	Sale of goods and other income Purchase of goods and other expenses	1,775 125	271 9
28. Natchayakorn Pattana Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Lease liabilities	-	46
29. Dynamic Transport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	1,061	98
30. Dynamic Intertransport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	69	7
31. Sapsamutr Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income Other expenses Lease liabilities Purchase of right-of-use assets	1 38 - 2	- 1 9 -
32. True Corporation Plc.	• CPG is the major shareholder • Mr. Suphachai Chearavanont and Professor Dr. Kittipong Kittayarak are the common director	Sale of goods and other income Other expenses Dividend income	1 1 52	- - -
33. True Digital Group Co., Ltd.	• Subsidiary of TRUE	Other expenses	20	6
34. True Move H Universal Communication Co., Ltd.	• Subsidiary of TRUE • Mr. Suphachai Chearavanont is the common director	Other expenses Sale of goods and other income	69 4	25 2

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
35. True Leasing Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	113	51
		Lease liabilities	-	1,021
		Purchase of right-of-use assets	517	-
36. True Internet Corporation Co., Ltd.	• Subsidiary of TRUE	Other expenses	47	3
37. True Internet Data Center Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	107	12
		Other income	2	2
38. Tacharm Agricultural - Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	153	15
		Purchase of goods	242	21
39. Taksawan Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Other expenses	76	3
		Lease liabilities	-	5
40. T.K.P. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Lease liabilities	-	172
41. Thai News Network (TNN) Co., Ltd.	• Subsidiary of TRUE	Other expenses	22	12
42. Ayutthaya Port & ICD Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	70	3
43. Thanakorn Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Lease liabilities	-	38
44. Patcharapak Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Lease liabilities	-	60
45. Patcharapoom Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors	Lease liabilities	-	113
		Purchase of right-of-use assets	10	-
46. Leadership Development Charoen Pokphand Group Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	10	3
		Training and seminar fees	209	2
47. P.N.S. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Lease liabilities	-	282
48. Perfect Companion Group Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Sale of goods and other income	1,300	141
		Purchase of goods and other expenses	71	8
		Gain (Loss) on sales of assets	2	-
49. Freewill Solutions Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Suphachai Chearavanont is the common director	Software application fees	30	-
50. Tak Charoen Farm Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors	Lease liabilities	-	66
51. Ross Breeders Siam Co., Ltd.	• Associate of CPF • Mr.Soopakij Chearavanont, Mr.Adirek Sripratak, Mr.Suphachai Chearavanont are the common directors	Sale of goods and other income	149	10
		Purchase of goods	1	-
52. Watcharapatr Co., Ltd.	• Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors	Lease liabilities	-	67
53. VLS Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Lease liabilities	-	72
54. Siam Food Service Co., Ltd.	• Subsidiary of MAKRO	Sale of goods	31	1
		Purchase of goods	33	2
55. Siam Makro Plc. (“MAKRO”)	• Subsidiary of CPALL • Mr. Adirek Sripratak and Mr. Suphachai Chearavanont are the common directors	Sale of goods and other income	14,769	2,310
		Purchase of goods and other expenses	498	54
56. Siam Rivea Co., Ltd.	• Associate of CPF • Mr. Prasit Boondoungprasert is the common director • Mr. Sathit Sangkanarubordee, CPF executive, is the director (retired from Chief Operating Officer - Five Stars and Restaurant Business of CPF effective from December 31, 2021)	Loans and interest income	1	49

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
57. Sinpranee Farm Co., Ltd.	• Spouse and Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Purchase of right-of-use assets	54	-
		Lease liabilities	-	40
58. Sinsanti Co., Ltd.	• Spouse and child of Mr. Adirek Sripratak (director of CPF) are directors and child of Mr. Adirek Sripratak (director of CPF) are shareholders	Other expenses	37	3
59. Sirilux Pattana Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors	Lease liabilities	-	55
60. ALL NOW Logistics Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	296	48
		Sale of goods	1	1
61. Alpha Farm Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	10	-
		Purchase of goods	29	-
62. Arbor Acres Thailand Co., Ltd.	• Associate of CPF • Mr.Soopakij Chearavanont, Mr.Adirek Sripratak, Mr.Suphachai Chearavanont and Mr. Paisan Chirakitcharern are the common directors	Sale of goods and other income	154	14
		Purchase of goods	65	3
63. Ek-Chai Distribution System Co., Ltd.	• Subsidiary of MAKRO	Sale of goods	4,867	1,896
		Other expenses	71	9
		Gain (Loss) on sales of assets	(54)	-
		Purchase of right-of-use assets	16	-
		Lease liabilities	-	15
64. Egg Digital Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	21	-
65. Eko Corporation Co., Ltd.	• Child of Mr. Suphachai Chearavanont (director of CPF) are shareholders and directors	Other expenses	27	4
66. A.P.S. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses	2	-
		Lease liabilities	-	302
67. SLS Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Lease liabilities	-	177
68. Advance Pharma Co., Ltd.	• CPG is a major shareholder	Sale of goods and other income	262	31
	• Mr. Phongthep Chiaravanont is the common director	Purchase of goods and other expenses	183	17
69. A.P.P. Enterprise Inc.	• Associate of CPF	Lease liabilities	-	562
70. Advance Pharma Vietnam Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	69	11
71. Andhra Pradesh Broodstock Multiplicationcentre Private Ltd.	• Associate of CPF	Advance payments for purchase of goods	-	49
72. Anhui C.P. Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	30	28
73. Apsararice (Cambodia) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	22	-
74. Beijing Chia Tai Breeding Science & Technology Development Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,970	210
		Purchase of goods	342	604
		Construction costs and other equipment	118	-
75. Beijing Chia Tai Feedmill Co., Ltd .	• Associate of CTI	Sale of goods	1	-
		Borrowings and interest expense	29	837
76. Beijing Chia Tai Livestock Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Borrowings and interest expense	1	58
77. Beijing Poultry Breeding Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1	-
		Purchase of goods	178	16
		Advance payments for purchase of goods	-	1
78. BHJ Kalino Food AB	• Associate of CPF	Sale of goods	753	100
		Accounts payable	-	2

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
79. C.P. Aquaculture (India) Private Limited ("CPA")	Before April 2, 2021, CPA was associate of CPF. However, on April 2, 2021 and June 24, 2021, CPF and its subsidiaries acquired additional 43.30% of CPA shares. Therefore, CPF's shareholding in CPA increased from 31.70% to 75.00% and CPA becomes a subsidiary of CPF.	Sale of goods and other income Purchase of goods and other expenses	11 165	- -
80. C.P.Bangladesh Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	13 28	4 -
81. C.P. Egg Products (Shandong) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	27 4	3 3
82. C.P. Packaging (Vietnam) Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	293	32
83. C.P. Premix (Tianjin) Co., Ltd.	• Subsidiary of CTI	Sale of goods	53	-
84. C.P. Premix (Shenyang) Co., Ltd.	• Subsidiary of CTI	Sale of goods	33	-
85. C.P. Seed (Vietnam) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	377	7
86. C.P .Trading Co., Ltd.	• Chearavanont family is a major shareholder	Other income Purchase of goods Advance payments for purchase of goods	3 20,228 -	- 1,032 774
87. Chia Tai Food Suining Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	28 67	14 14
88. Chai Tai Swine Business Minquan Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	2 -	1 26
89. Changsha Chulian Supermarket Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	113	7
90. Charoen Pokphand Import & Export Trading (Shanghai) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	1,007	1,183
91. Charoen Pokphand Iintertrade South Africa (PTY) Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Other expenses	25 2	3 2
92. Charoen Pokphand Trading India Private Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expense	121	3
93. Charoen Pokphand Trading (Malaysia) Sdn. Bhd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	29	-
94. Chengdu Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	74	5
95. 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	61	8
96. Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Sale of goods and other income Purchase of goods Trademark license fees Borrowings and interest payment	25 1,712 247 13	11 1,290 - 550
97. Chia Tai Animal Husbandry Technology (Yushu) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	2 35	2 23
98. Chia Tai Aquaculture (Xiamen) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Sale of goods and other income	19 1	20 -
99. Chia Tai Conti (Shekou) Ltd.	• Associate of CPP	Sale of goods	45	3
100. Chia Tai C.P. (Beijing) International Trading Co.,Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and equipment	154	33
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	691 1	109 -
102. Chia Tai C.P.Trading Development (Shanghai) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	67	9

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
103. 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	867	280
		Purchase of goods and other expenses	2	2
		Advance payments for purchase of goods	-	5
104. Chia Tai Feedmill Pte .Ltd.	● CPG is a major shareholder	Purchase of goods and other expenses	125	7
105. Chia Tai Feed (Hengshui) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	2,498	1,637
		Sale of goods	13	13
106. Chia Tai Feed (Yushu) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	1,658	2,042
		Sale of goods	2	-
107. Chia Tai Feed (Zhanjiang) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	1,637	866
		Sale of goods	7	4
108. Chia Tai Food & Beverage (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	35	9
		Sale of goods	28	26
109. Chia Tai Food Enterprise (Luoyang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	30	4
110. 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	6,535	1,729
		Purchase of goods and other expenses	482	208
		Interest income	41	21
111. 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	3	86
		Other income	27	-
112. Chia Tai Pufeng Trading Development (Suzhou) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	304	181
		Purchase of goods	646	47
		Interest income	1	1
113. Chia Tai Trade (Xia Men) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	50	7
		Purchase of goods and other expenses	3	-
114. Chia Tai Trading (Beijing) Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	97	52
115. Chia Tai (Zhanjian) Poultry Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	24	-
116. Chongqing Ailian Supermarket Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	39	1
117. Chongqing Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	79	4
118. CP Avant Private Limited	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	33	30
119. CP Food (Hubei) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	153	12
120. CP Fresh Mart (Beijing) Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	218	42
		Interest income	1	1
121. CPPC Outdoor Wear (Vietnam) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	69	7
122. Guangdong Chia Tai Conti Animal Health Co., Ltd.	● Associate of CPP	Sale of goods	33	13
123. Guangdong Zhanjiang Chia Tai Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	45	10
124. 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	15	13
		Purchase of goods	447	139
125. Hefei Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	84	13
126. Heilongjiang Chia Tai Enterprise Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	73	25
		Sale of goods	71	78
127. Henan C.P. Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	19	21

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
128. 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	128	83
		Purchase of goods	25	9
		Interest income	1	-
129. Hubei Chia Tai Livestock & Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	10	12
		Purchase of goods and other expenses	179	27
130. Hunan CP Retail Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	47	12
131. Inner Mongolia Chia Tai Agriculture Co., Ltd.	• Subsidiary of CTI	Purchase of goods	52	5
132. Jiangsu Huai Yin Chia Tai Co.,Ltd.	• Subsidiary of CTI	Sale of goods	2	1
		Purchase of goods	1,174	561
		Advance payments for purchase of goods	-	16
133. Jilin Chia Tai Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	70	75
		Purchase of goods	687	-
		Advance payments for purchase of goods	-	122
134. Jilin Deda Co., Ltd.	• Subsidiary of CTI	Sale of goods	180	60
		Purchase of Goods and other expenses	314	86
135. Kaifeng Chia Tai Co., Ltd	• Subsidiary of CTI	Purchase of goods	851	383
		Sale of goods	2	-
136. KSP Vietnam Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	1,333	222
137. Kunming Chia Tai C.P. Trading Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	26	7
138. Kunming Chia Tai Co., Ltd.	• Subsidiary of CTI	Purchase of goods	117	23
		Sale of goods	1	-
139. Lanzhou Chia Tai C.P.Trading Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	37	2
140. Lianyungang Chia Tai Agro-Industry Development Co., Ltd.	• Subsidiary of CTI	Sale of goods	2	-
		Purchase of goods	1,120	501
141. Luoyang C.P. Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	23	18
		Purchase of goods	3	-
142. Myanmar C.P. Livestock Co., Ltd	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	100	69
143. Nantong Chia Tai Co., Ltd.	• Subsidiary of CTI	Purchase of goods	531	977
		Sale of goods	3	1
144. Nantong Chia Tai Livestock & Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	21	15
		Purchase of goods and other expenses	12	1,434
		Advance payments for purchase of goods	-	1,319
145. Qingdao Chia Tai Co., Ltd .	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	212	210
		Purchase of Goods and other expenses	561	383
		Interest income	2	1
		Interest expense	1	-
146. Qingdao Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Sale of goods	30	21
		Purchase of goods	17	23
		Advance payments for purchase of goods	-	2
147. Qingdao Yi Bang Bio-Engineering Co., Ltd.	• Associate of CTI	Purchase of goods	62	45

Related Person	Relationship[67]	Transaction	2021	
			Transaction Amount	Outstanding Amount
148. Qinhuangdao Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	109	47
		Purchase of Goods and other expenses	502	109
		Advance payments for purchase of goods	-	87
149. Shandong Bu Bee Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	32	-
		Purchase of goods	12	7
150. 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	26	-
		Purchase of goods	24	-
151. SuperDrob S.A.	● Associate of CPF	Purchase of goods and other expenses	3,344	88
		Sale of goods and other income	38	6
152. 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	472	142
153. Wuxuan Chia Tai Animal Husbandry Co., Ltd.	● Subsidiary of CTI	Sale of goods	1	-
		Purchase of goods	60	23
154. Xiamen Chia Tai Agriculture Co., Ltd.	● Subsidiary of CTI	Purchase of goods	168	15
155. Xian Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	76	3
156. Xianghe Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	20	3
		Purchase of goods	21	9
		Advance payments for purchase of goods	-	1
157. Xiangyang Chia Tai Agro-Industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	21	3
158. Xin Bai Qin Vehicle Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	58	8
		Advance payments for purchase of goods	-	7
159. Zhanjiang Deni Vehicle Parts Co., Ltd.	● Associate of CTEI	Accrued dividend income	-	172
160. Zhejiang C.P .Livestock & Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	81	-
161. Zhengzhou Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	136	4
		Borrowings	-	1
162. Others*		Sale of goods and other income to other 216 related companies for the year 2021; and had 141 debtors as of December 31, 2021.	593	218
		Purchase of goods and other expenses from other 97 for the year 2021 and had 73 creditors as of December 31, 2021.	99	197

* 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 2021, details of related transactions which were not in the ordinary course of business or supporting transaction conducted on the notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Transactions of Related Parties can be summarized as follows:

1. The Board of Directors convened on March 12, 2021 approved CPF and its subsidiary to acquire 43.30% of total shares in C.P. Aquaculture (India) Private Limited ("CPA"), in addition to 31.70% existing shareholding, for a total consideration of RS 3,483 million from CPG and C.T. Progressive (Investment) Ltd. As a result, CPF holds 75.00% in CPA. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company in enhancing flexibility and efficiency in managing the shrimp integrated business in India whereas the basis used to determine total consideration of this transaction is appropriate.

   Directors with the conflict of interest had no rights to vote and not attend the meeting and the Audit Committee had no different opinion from the Board of Directors.

2. The Board of Directors convened on May 31, 2021 approved its subsidiary to dispose certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels to Ek-Chai Distribution System Co., Ltd. at the total consideration of approximately THB 861.6 million. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company since the transaction will be carried out for the benefit of businesses operation based on the expertise of each party.

   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

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 benefitial 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, 2021.

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 2021
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 2021, 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 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements in the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Recognition and measurement of identifiable assets acquired and liabilities assumed from the business combination	
Refer to notes 3 (a) and 5 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
During the year 2021, the Group acquired the business in Russia. At the reporting date, the Group is still assessing the fair value of the net assets acquired. Management has provisionally estimated the fair value of the identifiable assets acquired and liabilities assumed from the business combination for accounting record. I considered this as the key audit matter because the accounting for the business combination is complex and the identification and fair value measurement of assets acquired and liabilities assumed requires significant judgment.	My audit procedures included the following: • involving KPMG valuation specialist to evaluate the valuation methodology and the identification of significant assets acquired and liabilities assumed and inquiring about the qualifications and independence of the independent valuers of the Group; • evaluating the key assumptions used by the Group in determining the fair value based on information in the valuation report from an independent valuer such as discount rate, long-term growth rates, tax rates, and the estimation of the future business operating results; • evaluating the appropriateness in identification of significant assets acquired and liabilities assumed prepared by the Group and inquiring of management for methodologies used in assessing the estimated fair value; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Impairment testing of investments in subsidiaries, property, plant and equipment and goodwill	
Refer to notes 3 (b), 3 (k), 3 (l), 3 (p), 10, 14 and 16 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
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. I considered this as the key audit matter because the impairment testing involved a significant level of management judgment.	My audit procedures included the following: • evaluating the management's assessment on the reasonableness of the indicators and impairment testing of investments in subsidiaries, property, plant and equipment and goodwill including evaluating the key assumptions which supports the management's forecast; • inquiring of management about the discounted cash flow projection model, understanding the Group and the Company's business and strategies; • evaluating the assumptions applied in preparing cash flow projections by comparing the key assumptions with internal and external sources of information, taking into account the accuracy of the past cash flow projections in comparison to the actual operating results, and testing a sample of inputs and key assumptions applied in the discounted cash flow model including testing the calculation; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Recognition of deferred tax assets	
Refer to notes 3 (w) and 27 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The Group and the Company have recognised deferred tax assets which were calculated from temporary differences and unutilised tax losses by considering the forecast of future taxable profits whether they will be sufficient for the utilisation of temporary differences and unutilised tax losses prior to the expiry of tax losses or not. I considered this as the key audit matter because the consideration of the forecast of future taxable profits of management involved a significant level of judgment in determining the key assumptions.	My audit procedures included the following: • inquiring of management to understand about the forecast of future taxable profit; • evaluating the assumptions used by management in the forecast of future taxable profits of the Group and the Company in comparison to the key assumptions used by management in the preparation of the forecast of future taxable profits with the internal and external sources of information and considering the reasonableness of the forecast of future taxable profits by comparing the past forecast to the actual operating results and the operation plans; • reconciling tax losses and the expiration date with tax report; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Measurement of biological assets	
Refer to note 3 (h) and 9 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
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. 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.	My audit procedures included the following: • evaluating the approach used by management in the measurement of biological assets including information used in the classification and categorising age, weight, and quantity of biological assets and comparing the quoted prices used by the Group to the internal and external sources of data and the available market prices at the reporting date; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2022

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of financial position

(Unit: Thousand Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
Current assets					
Cash and cash equivalents	7	36,686,058	57,035,264	2,678,546	2,812,094
Accounts receivable - trade and others		38,470,747	29,952,155	3,425,089	2,583,561
Short-term loans to related parties	6	-	-	6,876,278	20,024,025
Current portion of long-term loans to related parties	6	12,263	-	-	-
Inventories	8	73,431,469	52,136,060	2,784,343	2,776,137
Current biological assets	9	47,955,121	38,925,031	789,100	984,609
Other current financial assets	30	3,593,865	1,116,249	7	10,739
Restricted deposits at financial institutions		274,394	366,374	-	-
Advance payments for purchase of goods		5,662,990	4,424,757	-	-
Prepaid expenses		2,403,458	2,364,811	231,813	173,135
Accrued dividend income	6	171,566	3,767,364	-	-
Other current assets		7,872,561	4,581,620	53,206	56,841
Non-current assets classified as held for sale		15,739	-	-	-
Total current assets		**216,550,231**	**194,669,685**	**16,838,382**	**29,421,141**

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 financial statements 31 December 2021	Consolidated financial statements 31 December 2020	Separate financial statements 31 December 2021	Separate financial statements 31 December 2020
Non-current assets					
Investments in equity securities	*30*	13,034,063	11,421,702	761,000	663,000
Investments in subsidiaries	*10*	-	-	228,979,533	227,367,626
Investments in associates	*12*	230,428,252	217,839,231	1,645,869	5,533,809
Investments in joint ventures	*13*	22,411,734	21,014,106	4,360,381	4,360,381
Long-term loans to related parties	*6*	36,788	49,050	570,000	570,000
Investment properties		1,956,196	1,433,369	902,258	355,333
Property, plant and equipment	*14*	230,507,342	200,138,278	15,787,495	16,834,537
Right-of-use assets	*15*	34,663,569	32,373,333	372,529	422,837
Goodwill	*16*	60,816,718	54,565,338	-	-
Other intangible assets	*17*	13,649,484	13,142,577	19,194	23,690
Non-current biological assets	*9*	9,958,123	8,531,123	-	-
Deferred tax assets	*27*	4,964,305	2,947,591	1,471,709	90,697
Other non-current financial assets	*30*	143,614	-	143,614	-
Other non-current assets		3,560,201	3,593,702	268,070	163,225
Total non-current assets		**626,130,389**	**567,049,400**	**255,281,652**	**256,385,135**
Total assets		**842,680,620**	**761,719,085**	**272,120,034**	**285,806,276**

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)

Liabilities and shareholders' equity	Note	Consolidated financial statements 31 December 2021	Consolidated financial statements 31 December 2020	Separate financial statements 31 December 2021	Separate financial statements 31 December 2020
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	*18*	70,991,804	63,846,345	-	5,400,000
Bills of exchange	*18*	17,964,321	38,753,567	8,487,944	18,157,729
Accounts payable - trade and others	*20*	44,371,714	32,312,422	1,147,644	1,133,099
Accrued expenses		12,234,209	9,333,227	161,986	159,313
Current portion of long-term borrowings	*18*	39,064,753	37,026,783	12,283,186	8,500,000
Current portion of lease liabilities	*18*	4,439,143	4,172,469	145,712	217,449
Short-term borrowing from related parties	*6, 18*	1,456,136	423,443	-	13,250,742
Income tax payable		1,726,944	2,946,239	-	-
Other current financial liabilities	*30*	169,135	669,961	63,952	60,064
Other current liabilities		11,509,815	14,662,309	1,669,245	1,461,571
Total current liabilities		**203,927,974**	**204,146,765**	**23,959,669**	**48,339,967**
Non-current liabilities					
Long-term borrowings	*18*	301,239,870	244,196,279	113,607,461	95,597,523
Lease liabilities	*18*	29,460,702	27,692,379	225,143	186,429
Deferred tax liabilities	*27*	8,554,061	8,962,390	-	-
Provision for employee benefits	*21*	9,556,316	10,553,012	2,703,958	2,977,226
Provisions and others		2,574,360	2,469,627	-	-
Other non-current financial liabilities	*30*	230,483	1,520,065	-	248,939
Total non-current liabilities		**351,615,792**	**295,393,752**	**116,536,562**	**99,010,117**
Total liabilities		**555,543,766**	**499,540,517**	**140,496,231**	**147,350,084**

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 financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and shareholders' equity (Continued)	*Note*	2021	2020	2021	2020
Shareholders' equity					
Share capital					
Authorised share capital *(ordinary shares, par value at Baht 1 per share)*		9,291,530	9,291,530	9,291,530	9,291,530
Issued and paid-up share capital *(ordinary shares, par value at Baht 1 per share)*		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		3,582,872	3,470,021	3,470,021	3,470,021
Surplus from change in shareholders' equity in subsidiaries and associates	*22*	5,458,941	4,809,941	-	-
Surplus on common control transactions	*22*	(9,917)	(5,159)	490,423	490,423
Retained earnings					
Appropriated	*22*				
Legal reserve		929,166	929,166	929,166	929,166
Unappropriated		125,248,813	119,893,131	47,436,065	54,224,986
Treasury shares	*19*	(10,332,356)	(8,997,459)	(6,244,707)	(6,088,210)
Other components of shareholders' equity	*22*	9,279,320	(9,073,005)	5,522,711	5,409,682
Total		**200,066,990**	**176,936,787**	**116,623,803**	**123,456,192**
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		**215,066,990**	**191,936,787**	**131,623,803**	**138,456,192**
Non-controlling interests	*11*	72,069,864	70,241,781	-	-
Total shareholders' equity		**287,136,854**	**262,178,568**	**131,623,803**	**138,456,192**
Total liabilities and shareholders' equity		**842,680,620**	**761,719,085**	**272,120,034**	**285,806,276**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of income

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Income	*6*				
Revenue from sale of goods	*24*	512,704,447	589,712,922	27,053,990	25,521,284
Gains on sale of investments	*6, 10, 12*	2,387,910	1,575,478	431,974	882,216
Interest income		743,036	770,486	875,103	1,633,701
Dividend income		64,008	118,005	5,673,362	11,642,699
Net foreign exchange gains		651,140	993,983	81,143	308,017
Gains on loss of control in a subsidiary		-	11,198,660	-	-
Gains on changes in fair value of investment in associate	*5, 12*	486,831	-	-	-
Gain from swap investment with shares	*12*	7,849,399	-	-	-
Other income		4,072,906	3,415,700	188,072	68,089
Total income		**528,959,677**	**607,785,234**	**34,303,644**	**40,056,006**
Expenses	*6*				
Cost of sale of goods	*8, 26*	446,814,837	482,469,521	25,137,265	22,808,823
Distribution costs	*26*	20,236,685	23,900,383	943,877	954,875
Administrative expenses	*26*	30,643,803	33,764,608	2,521,660	2,347,296
Losses on changes in fair value of biological assets	*9*	2,381,443	269,808	-	-
Loss from liquidation of subsidiaries		-	313,649	-	-
Losses on changes in fair value of investment in associate	*12*	-	53,420	-	-
(Reversal of) impairment losses	*10, 14, 16*	(278,726)	4,356,294	-	(1,580)
Finance cost on lease liabilities	*15*	2,702,927	2,469,010	11,241	12,260
Other finance costs		13,893,122	14,348,954	5,109,125	4,857,597
Total expenses		**516,394,091**	**561,945,647**	**33,723,168**	**30,979,271**
Share of profit of associates and joint ventures accounted for using equity method	*12, 13*	4,166,804	9,253,600	-	-
Profit before income tax expense (income)		**16,732,390**	**55,093,187**	**580,476**	**9,076,735**
Income tax expense (income)	*27*	2,653,632	11,001,203	(1,485,352)	352,923
Profit for the year		**14,078,758**	**44,091,984**	**2,065,828**	**8,723,812**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of income

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Profit for the year attributable to:					
Equity holders of the Company		13,028,259	26,022,389	2,065,828	8,723,812
Non-controlling interests		1,050,499	18,069,595	-	-
Profit for the year		**14,078,758**	**44,091,984**	**2,065,828**	**8,723,812**
Basic earnings per share *(in Baht)*	*28*	**1.56**	**3.14**	**0.17**	**0.95**
Diluted earnings per share *(in Baht)*	*28*	**1.55**	**3.10**	**0.17**	**0.94**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of comprehensive income

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Profit for the year		**14,078,758**	**44,091,984**	**2,065,828**	**8,723,812**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences		15,576,686	541,230	-	-
Gains (losses) on cash flow hedges	*30*	1,308,117	(751,403)	47,775	(42,022)
Share of other comprehensive income of associates and joint ventures for using equity method	*12, 13*	7,062,747	1,169,145	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	*27*	(56,480)	120,094	(9,555)	8,404
Total items that will be reclassified subsequently to profit or loss		**23,891,070**	**1,079,066**	**38,220**	**(33,618)**
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on equity investments measured at fair value through other comprehensive income	*30*	206,426	(860,539)	98,000	-
Gains (losses) on remeasurements of defined benefit plans	*21*	1,173,680	(740,483)	382,584	(196,685)
Gains on revaluation of assets	*14*	221,515	14,865,683	-	2,836,974
Share of other comprehensive income of associates for using equity method	*12*	131,018	233,013	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	*27*	(361,711)	(2,364,427)	(96,116)	(528,058)
Total items that will not be reclassified subsequently to profit or loss		**1,370,928**	**11,133,247**	**384,468**	**2,112,231**
Other comprehensive income for the year, net of income tax		**25,261,998**	**12,212,313**	**422,688**	**2,078,613**
Total comprehensive income for the year		**39,340,756**	**56,304,297**	**2,488,516**	**10,802,425**
Total comprehensive income attributable to:					
Equity holders of the Company		32,428,231	31,758,637	2,488,516	10,802,425
Non-controlling interests		6,912,525	24,545,660	-	-
Total comprehensive income for the year		**39,340,756**	**56,304,297**	**2,488,516**	**10,802,425**

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

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

(Unit: Thousand Baht)

		Consolidated financial statements																
									Other components of equity									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus from change in shareholders' equity in subsidiaries and associates	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Losses on cash flow hedges	Gains (losses) on 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 2020																		
Balance at 1 January 2020		**8,611,242**	**57,298,909**	**3,470,021**	**4,072,786**	**(5,159)**	**929,166**	**101,404,195**	**(2,909,249)**	**13,977,518**	**(611,448)**	**3,124,579**	**(31,797,899)**	**(15,307,250)**	**157,564,661**	**15,000,000**	**172,564,661**	**50,112,158**	**222,676,819**
Transactions with owners, recorded directly in equity																		
Distributions to owners																		
Dividends paid		-	-	-	-	-	-	(6,502,850)	-	-	-	-	-	-	(6,502,850)	-	(6,502,850)	(4,971,936)	(11,474,786)
Shares repurchased	*19*	-	-	-	-	-	-	-	(6,088,210)	-	-	-	-	-	(6,088,210)	-	(6,088,210)	-	(6,088,210)
Total distributions to owners		-	-	-	-	-	-	**(6,502,850)**	**(6,088,210)**	-	-	-	-	-	**(12,591,060)**	-	**(12,591,060)**	**(4,971,936)**	**(17,562,996)**
Changes in ownership interests in subsidiaries and associates																		
Changes in interests in subsidiaries without a change in control		-	-	-	(269,058)	-	-	-	-	-	-	-	3,585	3,585	(265,473)	-	(265,473)	310,360	44,887
Changes in interests in associates		-	-	-	(3,680)	-	-	-	-	-	-	-	-	-	(3,680)	-	(3,680)	-	(3,680)
New shares issued by subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	251,590	251,590
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,051)	(6,051)
Loss of control in a subsidiary		-	-	-	1,009,893	-	-	291,802	-	-	-	(291,802)	216,698	(75,104)	1,226,591	-	1,226,591	-	1,226,591
Total changes in ownership interests in subsidiaries and associates		-	-	-	**737,155**	-	-	**291,802**	-	-	-	**(291,802)**	**220,283**	**(71,519)**	**957,438**	-	**957,438**	**555,899**	**1,513,337**
Total transactions with owners, recorded directly in equity		-	-	-	**737,155**	-	-	**(6,211,048)**	**(6,088,210)**	-	-	**(291,802)**	**220,283**	**(71,519)**	**(11,633,622)**	-	**(11,633,622)**	**(4,416,037)**	**(16,049,659)**
Comprehensive income for the year																		
Profit		-	-	-	-	-	-	26,022,389	-	-	-	-	-	-	26,022,389	-	26,022,389	18,069,595	44,091,984
Other comprehensive income																		
- Losses on remeasurements of defined benefit plans	*21*	-	-	-	-	-	-	(569,516)	-	-	-	-	-	-	(569,516)	-	(569,516)	(8,630)	(578,146)
- Others		-	-	-	-	-	-	-	-	10,855,862	(824,527)	(383,197)	(3,342,374)	6,305,764	6,305,764	-	6,305,764	6,484,695	12,790,459
Total comprehensive income for the year		-	-	-	-	-	-	**25,452,873**	-	**10,855,862**	**(824,527)**	**(383,197)**	**(3,342,374)**	**6,305,764**	**31,758,637**	-	**31,758,637**	**24,545,660**	**56,304,297**
Interest and other expenses paid on subordinated perpetual debentures	*23*	-	-	-	-	-	-	(752,889)	-	-	-	-	-	-	(752,889)	-	(752,889)	-	(752,889)
Balance at 31 December 2020		**8,611,242**	**57,298,909**	**3,470,021**	**4,809,941**	**(5,159)**	**929,166**	**119,893,131**	**(8,997,459)**	**24,833,380**	**(1,435,975)**	**2,449,580**	**(34,919,990)**	**(9,073,005)**	**176,936,787**	**15,000,000**	**191,936,787**	**70,241,781**	**262,178,568**

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

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

(Unit: Thousand Baht)

		Consolidated financial statements																
									Other components of equity									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus from change in shareholders' equity in subsidiaries and associates	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	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	Total	Subordinated perpetual debentures	Total shareholders' equity attributable to equity holders of the Company	Non-controlling interests	Total shareholders' equity
Year ended 31 December 2021																			
Balance at 1 January 2021		**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**
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)
Shares repurchased	*19*	-	-	-	-	-	-	-	(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	*23*	-	-	-	-	-	-	(750,839)	-	-	-	-	-	-	(750,839)	-	(750,839)	-	(750,839)
Transfer to retained earnings		-	-	-	-	-	-	50,158	-	(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**	**125,248,813**	**(10,332,356)**	**24,818,227**	**(227,445)**	**2,746,664**	**(18,058,126)**	**9,279,320**	**200,066,990**	**15,000,000**	**215,066,990**	**72,069,864**	**287,136,854**

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

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

(Unit: Thousand Baht)

		Separate financial statements												
									Other components of equity					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Losses on cash flow hedges	Gains on equity investments measured at fair value through other comprehensive income	Total other components of shareholders' equity	Subordinated perpetual debentures	Total shareholders' equity
Year ended 31 December 2020														
Balance at 1 January 2020		**8,611,242**	**56,408,882**	**3,470,021**	**490,423**	**929,166**	**53,255,089**	**-**	**2,821,928**	**(58,374)**	**410,167**	**3,173,721**	**15,000,000**	**141,338,544**
Transactions with owners, recorded directly in equity														
Distributions to owners														
Dividends paid	*29*	-	-	-	-	-	(6,843,678)	-	-	-	-	-	-	(6,843,678)
Shares repurchased	*19*	-	-	-	-	-	-	(6,088,210)	-	-	-	-	-	(6,088,210)
Total distributions to owners		-	-	-	-	-	**(6,843,678)**	**(6,088,210)**	-	-	-	-	-	**(12,931,888)**
Total transactions with owners, recorded directly in equity		-	-	-	-	-	**(6,843,678)**	**(6,088,210)**	-	-	-	-	-	**(12,931,888)**
Comprehensive income for the year														
Profit		-	-	-	-	-	8,723,812	-	-	-	-	-	-	8,723,812
Other comprehensive income														
- Loss on remeasurement of defined benefit plans	*21*	-	-	-	-	-	(157,348)	-	-	-	-	-	-	(157,348)
- Others		-	-	-	-	-	-	-	2,269,579	(33,618)	-	2,235,961	-	2,235,961
Total comprehensive income for the year		-	-	-	-	-	**8,566,464**	-	**2,269,579**	**(33,618)**	-	**2,235,961**	-	**10,802,425**
Interest and other expenses paid on subordinated perpetual debentures	*23*	-	-	-	-	-	(752,889)	-	-	-	-	-	-	(752,889)
Balance at 31 December 2020		**8,611,242**	**56,408,882**	**3,470,021**	**490,423**	**929,166**	**54,224,986**	**(6,088,210)**	**5,091,507**	**(91,992)**	**410,167**	**5,409,682**	**15,000,000**	**138,456,192**

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

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

(Unit: Thousand Baht)

		Separate financial statements												
									Other components of 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	Gains on equity investments 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														
Balance at 1 January 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**
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)
Total distributions to owners		-	-	-	-	-	**(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
Total comprehensive income for the year		-	-	-	-	-	**2,371,896**	-	-	**38,220**	**78,400**	**116,620**	-	**2,488,516**
Interest and other expenses paid on subordinated perpetual debentures	*23*	-	-	-	-	-	(750,839)	-	-	-	-	-	-	(750,839)
Transfer to retained earnings		-	-	-	-	-	3,591	-	(3,591)	-	-	(3,591)	-	-
Balance at 31 December 2021		**8,611,242**	**56,408,882**	**3,470,021**	**490,423**	**929,166**	**47,436,065**	**(6,244,707)**	**5,087,916**	**(53,772)**	**488,567**	**5,522,711**	**15,000,000**	**131,623,803**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Cash flows from operating activities					
Profit for the year		14,078,758	44,091,984	2,065,828	8,723,812
Adjustments to reconcile profit to cash receipts (payments)					
Depreciation		21,243,839	20,892,999	1,566,329	1,632,114
Amortisation		1,194,749	1,419,427	6,074	6,633
Depreciation of biological assets	*9*	6,492,298	6,015,966	105,962	133,415
(Reversal of) expected credit losses and bad debt for accounts receivable - trade and others		116,683	364,728	(19,277)	30,606
(Reversal of) losses on inventory devaluation	*8*	382,029	180,460	(27,544)	(61,310)
Interest income		(743,036)	(770,486)	(875,103)	(1,633,701)
Dividend income		(64,008)	(118,005)	(5,673,362)	(11,642,699)
Finance costs		16,596,049	16,817,964	5,120,366	4,869,857
Gains on sale of investments	*6, 10, 12*	(2,387,910)	(1,575,478)	(431,974)	(882,216)
Loss on liquidation of subsidiaries		-	313,649	-	-
Provisions for employee benefits	*21*	903,298	860,672	233,399	226,477
Losses on sale and write-off of property, plant and equipment, right-of-use assets other intangible assets and investment properties		392,686	246,874	21,587	18,098
(Reversal of) impairment losses		(278,726)	4,356,293	-	(1,580)
Unrealised (gains) losses on exchange rates		(20,881)	28,719	(17,322)	(33,525)
Gains on loss of control in a subsidiary		-	(11,198,660)	-	-
Losses on changes in fair value of biological assets	*9*	2,381,443	269,808	-	-
(Gains) losses on changes in fair value of investment in associate	*12*	(486,831)	53,420	-	-
Gain from swap investment with shares	*12*	(7,849,399)	-	-	-
Unrealised losses on changes in fair value of derivatives		30	1,655	-	-
Share of profit of associates and joint ventures accounted for using equity method	*12, 13*	(4,166,804)	(9,253,600)	-	-
Income tax expense (income)	*27*	2,653,632	11,001,203	(1,485,352)	352,923
		50,437,899	83,999,592	589,611	1,738,904

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Cash flows from operating activities (Continued)					
Changes in operating assets and liabilities					
Accounts receivable - trade and others		(7,126,170)	(260,762)	(1,259,064)	(142,777)
Inventories		(16,296,090)	575,381	19,338	(47,498)
Biological assets		(14,147,374)	(8,284,979)	89,547	(58,735)
Other current assets		(2,445,174)	(1,780,850)	(121,571)	(202,528)
Other financial assets		2,972	(4,486)	-	-
Other non-current assets		430,941	(48,681)	27,954	5,975
Accounts payable - trade and others		8,119,553	4,423,784	14,548	(35,878)
Other current liabilities		(3,214,851)	1,702,045	(18,913)	33,373
Other financial liabilities		(272,941)	382,725	-	-
Employee benefits paid	*21*	(786,824)	(628,383)	(124,083)	(171,497)
Income tax paid		(8,281,721)	(9,037,673)	(11,443)	(108,904)
Net cash provided by (used in) operating activities		**6,420,220**	**71,037,713**	**(794,076)**	**1,010,435**
Cash flows from investing activities					
Interest received		706,219	738,708	881,635	1,627,336
Dividends received		11,567,888	6,359,392	5,750,512	14,565,200
Proceeds from short-term loans to related parties	*6*	-	-	13,147,747	19,950,000
Proceeds from (payment for) other financial assets		(1,922,422)	552,281	-	-
Payment for acquisition of investments		(7,742,266)	(46,922,922)	(1,470,973)	(40,146,339)
Proceeds from sale of investments		8,692,786	3,150,461	4,178,980	4,145,405
Net consideration paid from acquisition of subsidiaries	*5*	(10,703,892)	(1,018,349)	-	-
Prepayment for acquisition of investment		-	-	(122,688)	-
Effect in cash from loss of control in a subsidiary		-	(12,925,859)	-	-
Proceeds from (payment for) long-term loan to related parties	*6*	-	(20,400)	-	30,000
Payment for acqusition of property, plant and equipment and investment properties		(24,162,938)	(26,522,878)	(415,977)	(331,855)
Proceeds from sale of property, plant and equipment and investment properties		1,115,628	1,321,877	23,604	7,527
Payment for acquisition of other intangible assets		(292,254)	(526,849)	(1,152)	(255)
Proceeds from sale of other intangible assets		36,406	2,922	12	63
Payment for acquisition of right-of-use assets		(207)	(106,932)	-	-
Payment for liquidation of subsidiary		(192)	-	-	-
Net cash provided by (used in) investing activities		**(22,705,244)**	**(75,918,548)**	**21,971,700**	**(152,918)**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Cash flows from financing activities					
Proceeds from (repayment of) short-term borrowings from financial institutions		5,503,192	417,527	(5,400,000)	2,550,000
Proceeds from (repayment of) bills of exchange		(21,066,879)	17,069,377	(9,788,114)	2,159,156
Proceeds from (repayment of) short-term borrowings from related parties	*6*	909,586	415,689	(13,250,742)	6,799,470
Payment of lease liabilities		(5,045,819)	(4,875,257)	(259,542)	(229,655)
Payment to acquire treasury shares	*19*	(1,334,897)	(6,088,210)	(156,497)	(6,088,210)
Proceeds from long-term borrowings from financial institutions		43,889,396	53,415,180	-	-
Repayment of long-term borrowings from financial institutions		(20,137,929)	(35,329,731)	-	(259,926)
Proceeds from issue of debentures	*18*	45,000,000	53,641,742	30,000,000	25,000,000
Repayment of debentures		(23,658,550)	(21,633,249)	(8,500,000)	(16,260,000)
Payment of financial transaction costs		(46,507)	(607,442)	(18,365)	(23,827)
Interest paid		(15,792,104)	(16,399,509)	(5,525,256)	(5,911,654)
Dividends paid to non-controlling interests		(6,220,404)	(4,978,748)	-	-
Dividend paid of the Company - net of dividends for shares held in treasury		(7,968,640)	(6,502,749)	(8,412,824)	(6,843,578)
Proceeds from issue of new ordinary shares		229,776	251,590	-	-
Proceeds from (payment for) acquisition of non-controlling interests		(3,729)	44,887	-	-
Payment for investment in subsidiaries with non-controlling interests		-	(8)	-	-
Net cash provided by (used in) financing activities		**(5,743,508)**	**28,841,089**	**(21,311,340)**	**891,776**

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

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(22,028,532)	23,960,254	(133,716)	1,749,293
Effect of exchange rate changes on cash and cash equivalents		2,907,900	69,676	168	(6)
Net increase (decrease) in cash and cash equivalents		**(19,120,632)**	**24,029,930**	**(133,548)**	**1,749,287**
Cash and cash equivalents at 1 January		54,406,515	30,376,585	2,812,094	1,062,807
Cash and cash equivalents at 31 December		**35,285,883**	**54,406,515**	**2,678,546**	**2,812,094**

Supplemental disclosures of cash flows information:

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	7	36,686,058	57,035,264	2,678,546	2,812,094
Bank overdrafts	18	(1,400,175)	(2,628,749)	-	-
Net		**35,285,883**	**54,406,515**	**2,678,546**	**2,812,094**

2. Non-cash transactions

2.1 As at 31 December 2021, the Group had accrued dividend income amounting to Baht 172 million *(2020: Baht 3,767 million)*.

2.2 During the year 2021, certain foreign subsidiaries had land revalued and recognised the increase in value of land in the consolidated financial statements totalling Baht 222 million *(2020: the Group and the Company had land revalued* and *recognised the increase in value of land in the consolidated and separate financial statements totalling Baht 14,866 million and Baht 2,838 million, respectively)*.

2.3 During the year 2021, the Company entered into an agreement to purchase an investment property amounting to Baht 554 million by offsetting the consideration for the investment property with other account receivable of the Company amounting to Baht 427 million.

2.4 During the year 2021, the Group has entire business transfer ("EBT") to Siam Makro Public Company Limited ("Makro") whereby Makro issued and allocated new ordinary shares as consideration of the EBT as payment in kind (see details in note 12).

2.5 As at 31 December 2021, the Group has outstanding payables for the acquisition of business amounting of Russian Ruble 1,665 million or equivalent to Baht 764 million (see details in note 5.2).

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 2021

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 25 February 2022.

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 (%)	
			2021	2020
Thailand operations and businesses related to operations in Thailand				
Livestock business				
Direct subsidiaries				
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
Indirect subsidiaries				
1) CP Hilai Habour Co., Ltd.	Restaurant	Thailand	99.99	99.99
2) International Pet Food Co., Ltd.	Production and sale of pet food	Thailand	99.99	99.99
3) Dak Galbi Group Co., Ltd.	Restaurant	Thailand	59.99	59.99
4) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
5) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
5.1) Yipeng, LLC	Restaurant	United States of America	99.99	99.99
6) Suansomboon Co., Ltd.	Agricultural plant farming	Thailand	99.99	-
Direct and indirect subsidiaries				
1) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
1.1) Chester's Food Co., Ltd.	Restaurant	Thailand	99.99	99.99
1.2) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.99
1.3) CPF Food and Beverage Co., Ltd.	Production and sale of ready meals	Thailand	99.99	99.99
1.4) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurants	Thailand	99.99	99.99
1.5) Consumer Package Commerce Co., Ltd.	Importer and distributor of processed meat and ready meals	South Korea	99.99	-
1.6) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	99.99	99.99
1.7) C.P. Food Singapore Pte Ltd.	Importer and distributor of processed meat and ready meals	Singapore	99.99	100.00
1.8) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	51.99	51.99
1.9) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
1.9.1) Paulsen Food GmbH	Distributor of meat products and investment	Germany	99.98	99.98
1.9.1.1) CPF Distribution GmbH	Distribution of ready meals	Germany	99.98	99.98
1.9.1.2) ZGG Verwaltungs GmbH	Investment	Germany	99.98	99.98
1.9.2) CP Foods (UK) Limited and subsidiaries	Importer and distributor of processed meat and ready meals	United Kingdom	99.98	99.98
1.9.3) The Foodfellas Limited	Importer of ingredients and food products	United Kingdom	99.98	99.98
1.9.4) Westbridge Food Group Limited	Investment	United Kingdom	99.99	99.99
1.9.4.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.99	99.99
1.9.4.2) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	99.99
1.9.4.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.99	99.99
1.9.4.4) Wignall Holdings Limited (2)	Investment	United Kingdom	99.99	99.99
1.9.4.5) Westbridge Foods (Haydock) Limited (2)	Distribution of meat products	United Kingdom	99.99	99.99
1.9.4.6) Westbridge Holding B.V.	Investment	Netherlands	99.99	99.99
1.9.4.7) Westbridge Foods (France) SARL	Distribution of meat products	France	99.99	99.99
1.9.4.8) Food Trac Limited	Distribution of meat products	United Kingdom	99.99	99.99

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
1.9.4.9) Westbridge Group License Companies	Importer of poultry meat products	United Kingdom	99.99	99.99
1.10) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	Hong Kong Special Administrative Region	99.99	99.99
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	99.99
Overseas operations				
Direct subsidiaries				
1) Bellisio Investment, LLC	Investment	United States of America	100.00	100.00
1.1) Bellisio Parent, LLC (2)	Investment	United States of America	100.00	100.00
1.1.1) Arden International, LLC (3)	Production and distributor of ready meals	United States of America	-	100.00
1.1.2) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.3) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.4) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.4.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.6) The All American Gourmet Company (2)	Production and distributor of ready meals	United States of America	100.00	100.00
2) C.P. Aquaculture (Hainan) Co., Ltd. (2)	Aquaculture farming and hatchery business	China	100.00	100.00
3) C.P. Foods Holdings Limited	Investment	British Virgin Islands	100.00	100.00
4) C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
5) CP Foods Capital Limited	Investment	British Virgin Islands	100.00	100.00
6) Charoen Pokphand Foods Kenya Co., Ltd. (2)	Animal feedmill and livestock farming	Kenya	99.99	99.99
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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
8.1.1) Chozen Holdings Limited	Restaurant	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
8.3) Russia Baltic Pork Invest AS (Formerly known as Russia Baltic Pork Invest ASA)	Investment	Norway	75.82	75.82
8.3.1) Agro-Oskol CJSC	Agricultural plant farming	Russia	75.82	-
8.3.2) Agro-Ostrogorzhsk LLC	Agricultural plant farming	Russia	75.82	-
8.3.3) Agro-Sojuz TS LLC	Investment	Russia	75.82	-
8.3.4) Alekseevskiy Kombikormovy Zavod CJSC	Animal feedmill	Russia	75.82	-
8.3.5) Alekseevsky Bekon JSC	Livestock farming	Russia	75.82	-
8.3.6) APK Don LLC	Management and advisory service	Russia	75.82	-
8.3.7) Chochol Trostjanka LLC	Agricultural plant farming	Russia	75.82	-
8.3.8) Donskoy Bekon LLC	Livestock farming	Russia	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	-
8.3.14) MPK Belgorod LLC	Investment	Russia	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 (Formerly known as Pravdinsk Pig Production Closed 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	-
8.3.21) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
8.3.22) RBPI Voronezh LLC	Investment	Russia	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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
8.5) Tops Foods NV	Production and distributor of ready meals	Belgium	84.07	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	-
9.2) Food Port Sp. z o.o.	Distributor of seafood products	Poland	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	-
10) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	100.00
Direct and indirect subsidiaries				
1) Charoen Pokphand Foods (Overseas) LLC	Animal feedmill and livestock farming	Russia	99.99	99.99
1.1) CPF Agro LLC	Livestock farming	Russia	99.99	99.99
1.2) CPF Foods LLC	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 Huazhong Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.3) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.4) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.5) Golden Industrial Investment Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.6) Henan Chia Tai Biochemistry Trading Co., Ltd. (1)	Trading of animal drugs	China	35.17	35.17
3.7) Pucheng Chia Tai Biochemistry Co., Ltd. (1)	Production and sale of chlortetracycline	China	35.17	35.17
3.8) Shanghai C.P. Industrial Trading Co., Ltd. (2)	Sale of machine and spare part	China	50.43	50.43
3.9) Zhumadian Huazhong Chia Tai Co., Ltd. (1)	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Aquaculture (India) Private Limited	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	India	75.00	31.70

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
5) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.25	52.24
5.1) AHM Lifestyles - Creative Hospitality Joint Stock Company	Restaurant	Vietnam	50.96	50.96
5.2) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	52.25	52.24
5.3) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China	52.25	52.24
5.4) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	52.25	52.24
5.5) C.P. Aquaculture (Zhanjiang) Co., Ltd.	Shrimp hatchery business	China	52.25	52.24
5.6) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	52.25	52.24
5.7) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.8) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.9) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	52.25	52.24
5.10) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	52.25	52.24
5.11) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	52.25	52.24
5.12) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	66.18	66.18
5.13) C.T. Progressive (H.K.) Limited	Investment	Bermuda	52.25	52.24
5.14) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	52.25	52.24
5.15) Chia Tai (Beijing) Investment Management Co., Ltd.	Management and advisory service	China	52.25	52.24
5.16) Chia Tai Biopharmaceutical (Fujian) Co., Ltd. [(1)]	Production and sale of drugs	China	35.17	-
5.17) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24
5.18) Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	-
5.19) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	52.25	52.24
5.20) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	52.25	52.24
5.21) CP China Investment Limited	Investment	Cayman Islands	52.25	52.24
5.22) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
5.23) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	52.25	52.24
5.24) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	66.18	66.18
5.25) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	52.25	52.24
5.26) Dzine Food Solutions Company Limited	Restaurants and mobile catering services	Vietnam	66.18	-
5.27) Fujian Chia Tai Food Co., Ltd. (1)	Sale of processed poultry meat	China	36.57	36.57
5.28) Fujian Hetai Agro-Industry Co., Ltd. (1)	Farming and sale of poultry	China	36.57	36.57
5.29) Hannick Limited	Property investment	Hong Kong Special Administrative Region	52.25	52.24
5.30) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.25	52.24
5.31) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	52.25	52.24
5.32) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.25	52.24
5.33) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	52.25	52.24
5.34) Longyan Baotai Agro-Industry Co., Ltd. (1)	Farming and sale of poultry	China	36.57	36.57
5.35) Longyan Chia Tai Co., Ltd. (1)	Production of processed poultry meat	China	36.57	36.57
5.36) Modern State Investments Limited	Investment	British Virgin Islands	52.25	52.24
5.37) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	China	52.25	52.24
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 (USA), Inc. (3)	Broiler chicken integration	United States of America	-	99.97

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
7) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. [1]	Chicken integration and livestock farming	Republic of China (Taiwan)	39.00	39.00
7.1) Arbor Acres (Taiwan) Co., Ltd. [1]	Livestock farming	Republic of China (Taiwan)	19.50	19.50
7.2) Charoen Pokphand (Taiwan) Co., Ltd. [1]	Importer and distributor of feedstuff additives and animal vaccines	Republic of China (Taiwan)	35.10	35.10
7.3) Chia Tai Lianyungang Co., Ltd. [1]	Investment	Hong Kong Special Administrative Region	39.00	39.00
7.4) Plenty Type Limited [1]	Investment	Cayman Islands	39.00	39.00
7.5) Rui Fu Foods Co., Ltd. [1]	Layer chicken business	Republic of China (Taiwan)	19.89	19.89
7.6) Rui Mu Foods Co., Ltd. [1]	Layer chicken business	Republic of China (Taiwan)	26.52	26.52
7.7) Sheng Da Foods Co., Ltd. [1]	Layer chicken business	Republic of China (Taiwan)	14.92	11.93
8) Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99
8.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
8.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
8.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
8.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
8.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
8.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
9) Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	100.00	100.00
10) Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	Malaysia	100.00	100.00
10.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
10.2) Charoen Pokphand Feedmills (B'worth) Sdn. Bhd. [2]	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.3) Charoen Pokphand Feedmills (M) Sdn. Bhd. [2]	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.4) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
10.5) Linggi Poultry Farm (M) Sdn. Bhd. [2]	Property lease-out	Malaysia	100.00	100.00
10.6) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	100.00

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
10.7) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
11) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
11.1) Chun Ta Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
12) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
12.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	75.00
13) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
14) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
15) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
15.1) Ta Chung Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
16) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
17) Norfolk Foods (Private) Limited	Production and sale of ready meals	Sri Lanka	80.00	80.00

(1) The Group has the power to govern those companies
(2) Operations wound up
(3) Closed

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 are described in each notes have been applied consistently to all periods presented in these financial statements.

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 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.

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 do not result in a loss of control are accounted for as surplus 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.

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 applied to the carrying value of the total holding of the investment.

(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.

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 3 (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.

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 offesting

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 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. 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's 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).

(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.

(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 properties

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 5-50 years and recognised in profit or loss. No depreciation is provided on land and assets under construction.

Any gains or losses on disposal of investment properties are determined by comparing the net proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Transfers to property and plant

The carrying amount of investment properties is transferred to property and plant at the date of change in use and measured in accordance with accounting policy of property and plant.

(k) Property, plant and equipment

Land used for operations is measured at revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchase software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation differences on assets are transferred to retained earnings.

Revalued assets

Revaluations 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 "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 properties

Transfers from owner-occupied property to investment property are stated at carrying amount of the property transferred at the date of the change in use.

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.

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 - 60	years
Building improvements and leasehold improvements	3 - 60	years
Water and electricity systems	3 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	2 - 20	years
Vehicles	2 - 25	years

(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.

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.

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 3(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.

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.

(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.

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.

(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.

4 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak, Thailand and many countries have enacted several protective measures against the outbreak, e.g. the prohibition to entry the country, the travel restriction and mobility, the lock down of the risky area, the conditions and time interval setting for certain activities, social distancing, etc. These have significantly affected the supply chains and international trades, the labor shortages in the industrial sector causing from COVID-19 infections and production interruptions resulting to the inability to utilise full production capacity as well as the obstacles of on-shore and off-shore logistics along with the distributions to various sales channels.

All above factors affected to the production costs from upstream to downstream which caused from increasing in the price of imported raw materials of feed products, resulting in the increment in farm production costs. In addition, the Group applied the bubble and seal measures which affected the increment in the production costs of processing food products. In this regard, the management is closely monitoring the situation, providing co-operation with the government to ensure the sufficiency of food consumption for people along with building confidence of the safety of the Group's staff and fully attempt to minimise the impact on the business as much as possible.

5 Acquisition of subsidiaries

5.1 Share acquisition of C.P. Aquaculture (India) Private Limited ("CPA")

During the second quarter of 2021, the Company and CPF (India) Private Limited ("CPF India") acquired the ordinary shares of CPA from Charoen Pokphand Group Co., Ltd. ("CPG"), a significant influence entity of the Company, and C.T. Progressive (Investment) Limited ("C.T. Progressive"), which is a related party of the Company, in aggregate of 43.30% of total issued and paid-up shares of CPA for a total consideration of Baht 1,469 million.

CPA is incorporated in India and principally engages in production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing.

The Group obtained control of CPA on 2 April 2021 ("Acquisition date"). The Company paid Baht 1,041 million to CPG for the acquisition of 30.80% ordinary shares when combined with the interests previously held of 31.70%, as a result, the Company held 62.50% interests of issued and paid-up share capital in CPA and on 24 June 2021, CPF India paid Baht 428 million to C.T. Progressive for the acquisition of 12.50% ordinary shares, as a result, the Group held 75.00% interests of issued and paid-up share capital in CPA.

The Group has applied Thai Financial Reporting Standards ("TFRS") No. 3 *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	(Unit: Million Baht)
	Fair value
Consideration transferred - Cash	1,469
Less net assets received from the additional interests acquired	(1,191)
Goodwill arising from the acquisition	**278**
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	115
Accounts receivable - trade and others	79
Inventories	568
Other current assets	137
Property, plant and equipment	3,763
Other non-current assets	55
Short-term borrowings from financial institutions	(510)
Accounts payable - trade and others	(253)
Other current liabilities	(69)
Long-term borrowings	(441)
Deferred tax liabilities	(351)
Provisions and others	(70)
Net assets	**3,023**
Less non-controlling interests	(756)
Total net assets received	**2,267**
Less interests in CPA previously held	(1,076)
Net assets received from the additional interests acquired	**1,191**

As at the acquisition date, the Group had to measure the fair value of equity interests in CPA prior to acquisition. The measurement resulted in gain on changes in fair value which was recognised as "Gain on changes in fair value of investment in an associate" in the consolidated statements of income for the year ended 31 December 2021. Details as follows:

	(Unit: Million Baht)
Fair value of equity interests in CPA previously held	1,076
Less investment in CPA accounted for equity method in the Group at the acquisition date	(589)
Gain on changes in fair value of investment in an associate	**487**

As at 31 December 2021, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3. In this regard, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

The factors contributing to the goodwill are the fact that the Group will enhance flexibility and efficiency in managing the shrimp integrated business in India. Goodwill arising from the business combination is recognised in the consolidated statement of financial position and is not amortised as expenses.

Net consideration paid from acquisition of subsidiary in the statements of cash flows for the year ended 31 December 2021.

	(Unit: Million Baht)
	Fair value
Consideration transferred - Cash	1,469
Less net cash received from acquisition of subsidiary	(115)
Net	**1,354**

Operating results of CPA for the period from 2 April 2021 to 31 December 2021 included in the consolidated statement of income for the year ended 31 December 2021 has significant details as follows:

	(Unit: Million Baht)
	For the year ended 31 December 2021
Revenue from sale of goods	2,646
Loss for the year attributable to equity holders of the Company	(163)

5.2 Acquisition of swine business in Russia

During the fourth quarter in 2021, RBPI Voronezh LLC (the "Purchaser"), a 75.82% indirectly owned subsidiary of the Company acquired the swine business in Russia from Tönnies Russland Agrar GmbH, RKS Agrarbeteiligungs GmbH and Tönnies Holding ApS & Co. KG (together referred as "Seller") of approximately Russian Ruble 23,665 million or approximately Baht 10,858 million for the acquisition of the following:

(1) Entire shares in Agro-Sojuz TS LLC and Mjaso-Sojuz T LLC (together referred as the "Target Company"); and
(2) Loans provided by the Seller to the Target Company.

The Group obtained control of the Target Company on 10 December 2021. The Company paid Baht 10,094 million to the Seller for the acquisition of 100.00% ordinary shares of issued and paid-up share capital in the Target Company.

The Group has applied Thai Financial Reporting Standards ("TFRS") No. 3 *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(Unit: Million Baht)

	Fair value
Consideration	10,858
Less net assets received	(10,811)
Goodwill arising from the acquisition	**47**
Consideration	
Cash	10,094
Other payable	764
Total	**10,858**
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	798
Accounts receivable - trade and others	66
Inventories	1,409
Biological assets	1,801
Other current assets	535
Property, plant and equipment	7,136
Other non-current assets	182
Short-term borrowings from financial institutions	(46)
Accounts payable - trade and others	(152)
Other current liabilities	(325)
Long-term borrowings	(316)
Deferred tax liabilities	(108)
Provisions and others	(169)
Net assets	**10,811**

As at 31 December 2021, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3. In this regard, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

The factors contributing to the goodwill are the fact that the capacity of the Group will be enhanced to strengthen its swine business expansion in Russia. Goodwill arising from the business combination is recognised in the consolidated statement of financial position and is not amortised as expenses.

Net consideration paid from acquisition of subsidiary in the statements of cash flows for the year ended 31 December 2021.

	(Unit: Million Baht)
	Fair value
Consideration transferred	10,858
Less net cash received from acquisition of subsidiary	(798)
Less other payable	(764)
Net	**9,296**

If the acquisition of CPA and the Target Company had occurred on 1 January 2021, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the year ended 31 December 2021 would have been as follows:

	(Unit: Million Baht)
	For the year ended 31 December 2021
Revenue from sale of goods	518,821
Profit for the year attributable to equity holders of the Company	13,776

6 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 46.49% of the Company's voting rights as of the latest closing date of shareholder register book on 31 August 2021.

6.1 Significant transactions with related parties for the years ended 31 December

(Unit: Million Baht)

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
(a)	***Income***				
	Significant influence entity				
	Sale of goods	1	1	-	-
	Software application income	1	1	-	-
	Subsidiaries				
	Sale of goods	-	-	5,907	4,808
	Dividend income	-	-	5,587	11,522
	Interest income	-	-	864	1,585
	Gain on sale of investments	-	-	266	853
	Rental, service and other income	-	-	126	6
	Gain on sale of fixed assets	-	-	3	-
	Associates, joint ventures and related companies				
	Sale of goods	49,475	77,233	1,531	2,023
	Rental, service and other income	412	259	15	4
	Software application income	236	62	-	-
	Dividend income	64	116	86	121
	Interest income	48	14	-	-
	Training and seminar income	8	5	-	-
	Gain on sale of fixed assets	-	2	-	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
(b) Expenses and others				
Significant influence entity				
Purchase of raw materials and goods	11,023	9,526	2,402	2,083
Trademark license fees	4,304	4,030	310	303
Technical service fees	103	58	-	-
Subsidiaries				
Purchase of raw materials and goods	-	-	1,762	1,691
Software application fees	-	-	178	147
Interest expense	-	-	78	364
Cost of right-of-use assets	-	-	54	-
Training and seminar fees	-	-	18	13
Rental and service fees	-	-	8	8
Purchase of intangible assets	-	-	-	1
Other expenses	-	-	58	54
Associates, joint ventures and related companies				
Purchase of raw materials and goods	46,345	76,645	1,025	694
Construction costs of buildings, structures and others	2,427	2,362	42	71
Rental and service fees	855	1,189	76	112
Cost of right-of-use assets	674	1,097	69	182
Purchase of equipment and others	247	206	35	20
Trademark license fees	247	64	-	-
Software application fees	213	162	-	-
Training and seminar fees	208	526	6	12
Interest expense	44	19	-	-
Purchase of trademarks	-	377	-	-
Loss on sale of fixed assets	52	-	-	-
Other expenses	2,146	1,737	116	128

(c) Business acquisition

The Company and CPF (India) Private Limited acquired the ordinary shares of C.P. Aquaculture (India) Private Limited from Charoen Pokphand Group Company Limited, a significant influence entity of the Company and C.T. Progressive (Investment) Limited which is a related party of the Company. As at 31 December 2021, the transaction was completed and disclosed in note 5.1.

6.2 Balances with related parties as at 31 December were as follows:

6.2.1 Accounts receivable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Significant influence entity	2	1	-	-
Subsidiaries	-	-	671	523
Associates and joint ventures	7,258	4,680	61	37
Related companies	5,035	3,772	1,174	593
Total	**12,295**	**8,453**	**1,906**	**1,153**

6.2.2 Short-term loans to related parties

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiaries	6,876	20,024	13,280	23,912
Total	**6,876**	**20,024**	**13,280**	**23,912**

6.2.3 Advance payments for purchase of goods

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Associates and joint ventures	65	41	-	-
Related companies	2,344	725	-	-
Total	**2,409**	**766**	**-**	**-**

6.2.4 Accrued dividend income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Associates	172	3,729	-	-
Related companies	-	38	-	-
Total	**172**	**3,767**	**-**	**-**

6.2.5 Long-term loans to related parties

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Associates	49	49	49	44
Less current portion	(12)	-	-	-
Net	**37**	**49**	**49**	**44**

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiary	570	570	570	575
Total	**570**	**570**	**570**	**575**

As at 31 December 2021, the loans bear interest at 2.81% to 5.88% per annum *(2020: 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.

6.2.6 Accounts payable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Significant influence entity	435	1,167	79	71
Subsidiaries	-	-	72	62
Associates and joint ventures	7,565	4,573	6	7
Related companies	6,663	6,146	108	59
Total	**14,663**	**11,886**	**265**	**199**

6.2.7 Short-term borrowings from related parties

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Associates and joint ventures	837	414	779	84
Related companies	619	9	360	1
Total	**1,456**	**423**	**1,139**	**85**

6.2.7 Short-term borrowings from related parties (Continued)

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2021	2020	2021	2020
Subsidiaries	-	13,251	1,315	9,968
Total	**-**	**13,251**	**1,315**	**9,968**

As at 31 Decmber 2021, the borrowings bear interest at 4.02% to 5.27% per annum *(2020: 3.52% to 6.50% 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.

6.2.8 Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Subsidiary	-	-	54	42
Associates	578	553	-	-
Related companies	2,747	3,048	200	264
Total	**3,325**	**3,601**	**254**	**306**

6.3 Key management personnel compensation

Key management personnel compensation consists of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
For the year ended 31 December				
Short-term employee benefits	1,868	1,556	249	205
Post-employment under defined benefit plans	25	26	5	5
Total	**1,893**	**1,582**	**254**	**210**
As at 31 December				
Provisions for employee benefits	615	627	98	98
Total	**615**	**627**	**98**	**98**

6.4 Commitments

As at 31 December, the Group had commitments with related parties as follows:

Capital commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Contracted but not provided for				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	**905**	**318**	**2**	**2**

6.5 Significant agreements

As at 31 December 2021, the Group had the following significant agreements with related parties:

6.5.1 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.

6.5.2 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.

6.5.3 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.

6.5.4 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.

6.5.5 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.

6.5.6 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.

7 Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash at financial institutions and on hand	30,040	46,116	2,679	2,812
Highly liquid short-term investments	6,646	10,919	-	-
Total	**36,686**	**57,035**	**2,679**	**2,812**

8 Inventories

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Raw materials	40,765	25,419	1,525	1,286
Chemicals and supplies	3,662	2,840	186	161
Work in progress	2,841	1,950	289	243
Finished goods	18,841	16,220	759	1,123
Inventories in transit	8,438	6,441	42	8
Total	**74,547**	**52,870**	**2,801**	**2,821**
Less allowance for decline in value of inventories	(1,116)	(734)	(17)	(45)
Net	**73,431**	**52,136**	**2,784**	**2,776**

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2021 in the consolidated and the separate statement of income amounting Baht 330,559 million and Baht 17,104 million, respectively *(2020: Baht 386,670 million and Baht 14,641 million, respectively).*

In 2021, the Group and the Company recognised losses for decline in value of inventories of Baht 382 million *(2020: Baht 181 million)* and recognised a reversal of allowance for decline in value of inventories of Baht 28 million *(2020: Baht 61 million)* respectively.

9 Biological assets

Movements during the years ended 31 December were as follows:

(Unit: Million Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
At 1 January		47,456	45,161	985	1,059
Acquired through business combination	*5*	1,801	383	-	-
Increase due to purchase/raise		168,429	146,122	7,514	7,736
Decrease due to sale/harvest		(153,997)	(137,665)	(7,435)	(7,588)
Depreciation		(6,492)	(6,016)	(106)	(133)
Losses on change in fair value less costs to sell		(2,381)	(270)	-	-
Currency translation differences		3,413	(178)	-	-
Others		(316)	(81)	(169)	(89)
Balance at 31 December		**57,913**	**47,456**	**789**	**985**
Current					
Livestock		46,059	37,004	-	-
Aquatic		1,896	1,921	789	985
Total current		**47,955**	**38,925**	**789**	**985**
Non-current					
Livestock		9,958	8,531	-	-
Total non-current		**9,958**	**8,531**	**-**	**-**
Total		**57,913**	**47,456**	**789**	**985**

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.

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December is as follows:

(Unit: Tons)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Livestock	987,624	938,389	-	-
Aquatic	25,291	24,385	3,945	4,325

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:

(Unit: Million Baht)

	Carrying amount	Consolidated financial statements Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2021					
Biological assets at fair value less costs to sell	13,130	-	6,802	6,328	13,130
31 December 2020					
Biological assets at fair value less costs to sell	19,452	-	3,132	16,320	19,452

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	Reference market price as at 31 December 2021 • Suckling swine Baht 2,909 per head • Weanling swine Baht 2,356 per head • Fattening swine Baht 76 per kilogram • Sow Baht 11,840 to Baht 16,704 per head	On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 1,915 million.

The fair value of biological assets is performed by the Group's relevant finance department and operations team using a series of systematic procedures. The fair value measurements are categorised into each hierarchy based on inputs of swine market in each country as reference. The fair value of swine is determined based on market price per head or weight of swine.

10 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
At 1 January	-	-	227,368	191,466
Acquisitions/additional investments	-	-	1,645	40,145
Disposals	-	-	(34)	(4,187)
Impairment losses	-	-	-	(56)
At 31 December	**-**	**-**	**228,979**	**227,368**

During the year 2021, the Company sold 99.99% of its interest in CP Food Singapore Pte Ltd. with the carrying amount of Baht 34 million. The Company recognised gains on sale of investments of Baht 266 million.

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	
	2021	2020	2021	2020	2021	2020	2021	2020
Marketable securities								
C.P. Pokphand Co., Ltd.	4.98	4.98	4,691	4,691	-	-	4,691	4,691
Chia Tai Enterprises International Limited	4.98	4.98	500	500	-	-	500	500
Total			**5,191**	**5,191**	**-**	**-**	**5,191**	**5,191**
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.	87.54	87.54	38,999	38,999	-	-	38,999	38,999
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	-	-	500	500
Bellisio Investment, LLC	100.00	100.00	37,072	37,072	-	-	37,072	37,072
C.P. Aquaculture (India) Private Limited	62.50	-	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	100.00	1	1	-	-	1	1
C.P. Foods International Limited	100.00	100.00	1	1	-	-	1	1
CP Foods Capital Limited	100.00	100.00	1	1	-	-	1	1
CP Foods Singapore Pte Ltd.	-	100.00	-	34	-	-	-	34
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	(8)	(8)	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	1,394	1,394	(1,141)	(1,141)	253	253

Details of investments in subsidiaries (Continued)

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	2021	2020	2021	2020	2021	2020	2021	2020
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	1,055	1,055	-	-	1,055	1,055
CPF Investment Limited	100.00	100.00	55,644	55,644	-	-	55,644	55,644
CPF Tanzania Limited	58.26	58.26	129	129	(129)	(129)	-	-
CPF Netherlands B.V.	99.99	99.99	38,148	38,148	-	-	38,148	38,148
CPF Poland S.A.	66.67	66.67	245	124	-	-	245	124
Homegrown Shrimp (USA) LLC	100.00	100.00	516	209	-	-	516	209
Total			**225,066**	**223,455**	**(1,278)**	**(1,278)**	**223,788**	**222,177**
Grand Total			**230,257**	**228,646**	**(1,278)**	**(1,278)**	**228,979**	**227,368**

11 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	
	2021	2020	2021	2020	2021	2020
Non-controlling interests percentage*	47.75	47.76	49.57	49.57	61.00	61.00
Current assets	64,617	73,065	4,138	2,847	8,356	6,086
Non-current assets	158,336	142,935	9,262	8,227	22,891	17,900
Current liabilities	(52,270)	(42,277)	(1,957)	(1,253)	(8,404)	(6,248)
Non-current liabilities	(45,152)	(40,946)	(1,058)	(1,419)	(9,051)	(5,299)
Net assets	125,531	132,777	10,385	8,402	13,792	12,439
Goodwill of non-controlling interests	5,085	4,597	-	-	-	-
Carrying amount of non-controlling interests**	**57,403**	**58,609**	**3,742**	**2,820**	**7,842**	**6,868**

* 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.

Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2021	2020	2021	2020	2021	2020
Revenue	143,524	313,944	5,267	3,046	28,645	23,906
Profit (loss) for the year	(1,347)	74,808	851	535	1,510	1,688
Other comprehensive income (expense)	16,085	(3,315)	1,021	461	734	434
Total comprehensive income	14,738	71,493	1,872	996	2,244	2,122
Profit (loss) attributable to non-controlling interests	**(546)**	**17,031**	**444**	**(213)**	**903**	**1,137**
Other comprehensive income (expense) attributable to non-controlling interests	**6,529**	**(755)**	**401**	**172**	**439**	**292**
Cash flows from operating activities	1,249	29,368	(350)	121	845	2,807
Cash flows from investing activities	(3,942)	(24,594)	(340)	(326)	(3,877)	(3,350)
Cash flows from financing activities	(10,520)	(2,324)	644	7	2,961	(434)
Effect of exchange rate changes on balances held in foreign currencies	99	961	7	32	(2)	(13)
Net increase (decrease) in cash and cash equivalents	(13,114)	3,411	(39)	(166)	(73)	(990)
Dividend paid to non-controlling interests	**4,973**	**3,772**	**-**	**119**	**849**	**1,054**

12 Investments in associates

Movements during the years ended 31 December were as follows:

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
At 1 January		217,839	105,893	5,534	335
Acquisition/additional investments		55,130	46,716	-	5,378
Disposals		(54,875)	(1,572)	(3,712)	(179)
Share of profit		3,576	7,133	-	-
Share of other comprehensive income		5,921	937	-	-
Dividend income		(4,789)	(6,568)	-	-
Previously held interest in subsidiary before status change to associate		-	71,045	-	-
Disposal of previously held interest in associate from loss control in a subsidiary		-	(3,489)	-	-
Previously held interest in associate before status change to subsidiary	*5*	(1,076)	(1,269)	(176)	-
Changes in fair value of previously held interest in associate before status change to subsidiary	*5*	487	(53)	-	-
Gain from swap investment with shares		7,849	-	-	-
Others		366	(934)	-	-
At 31 December		**230,428**	**217,839**	**1,646**	**5,534**

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 2021, the fair value of the investments were Baht 180,181 million and Baht 39,315 million, respectively *(2020: fair value of investment in CPALL of Baht 178,476 million)*.

During the fourth quarter of 2021, C.P. Retail Holding Co., Ltd. ("CPRH"), a 20.00% indirectly owned associate of the Company through C.P. Merchandising Co., Ltd. ("CPM") has entire business transfer ("EBT") to Makro whereby Makro issued and allocated up to 5,010,323,500 new ordinary shares of the Company with a par value of Baht 0.50 each at the offering price of Baht 43.50 per share, totalling Baht 217,949 million, to CPRH as a consideration of the EBT as payment in kind.

On 25 October 2021, the EBT of CPRH had been completed, CPRH proceeded with dissolution and started the liquidation process on the same day. CPRH transferred all remaining assets, including shares in Makro, to CPRH's shareholders in proportion to their respective shareholding by which CPM received 1,002,064,700 shares of Makro. As a result, the Group indirectly held 10.21% interest in Makro. The purchase price allocation is a judgemental exercise to determine the fair value of assets acquires and liabilities assumed from the acquisition. The resulting differences was recognised as goodwill of Baht 22,755 million as part of investment in associate accounted for using the equity method in the consolidated statement. However, the assessment of fair value was not yet completed as at 31 December 2021. The fair value is estimated for accounting records.

On the acquisition date, the carrying amount of investment in CPRH in the consolidated financial statement was Baht 40,751 million. The fair value of investment in Makro was Baht 48,600 million. In this regard, the Group has gain on swap investment with shares in the consolidated statement of income amount of Baht 7,849 million.

Upon receiving of Makro shares as mentioned above, CPM made a mandatory tender offer for all securities in Makro at the price of Baht 43.50 per share during 27 October - 30 November 2021. CPM purchased 1,372 shares in Makro with the total value of Baht 0.06 million.

During 4 - 9 December 2021, Makro issued and offered ordinary shares to the public (Public offering or "PO"). CPM also offered ordinary shares in Makro to the public for 66,000,000 shares. After the completion of the PO, CPM retains 936,066,072 ordinary shares in Makro. As a result, the Group indirectly holds 8.85% in Makro.

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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Marketable securities											
CP ALL Public Company Limited	Thailand	33.99	34.10	87,929	85,163	108,271	103,208	-	-	108,271	103,208
Siam Makro Public Company Limited *	Thailand	8.85	-	45,451	-	45,591	-	-	-	45,591	-
Total				**133,380**	**85,163**	**153,862**	**103,208**	**-**	**-**	**153,862**	**103,208**
Non-marketable securities											
C.P. Retail Holding Co., Ltd	Thailand	-	20.00	-	40,973	-	40,931	-	-	-	40,931
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	172	163	-	-	172	163
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	35	35	153	151	-	-	153	151
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	30	23	10	15	-	-	10	15
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	2	2	240	206	-	-	240	206
A.P.P Enterprise INC.	Philippines	39.60	39.60	-	-	8	117	-	-	8	117
BHJ Kalino Food AB **	Sweden	15.08	15.08	24	24	29	26	-	-	29	26
C.P. Aquaculture (India) Private Limited	India	-	31.70	-	176	-	595	-	-	-	595

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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	China	26.12	26.12	8	8	4	4	-	-	4	4
Chia Tai Investment Co., Ltd. ***	China	18.29	18.28	71,045	71,045	73,250	70,484	-	-	73,250	70,484
Cixi Zhuda Investment Centre Limited Partnership	China	23.77	0.52	4	-	4	-	-	-	4	-
Conti Chia Tai International Limited	China	26.12	26.12	1,052	1,052	916	1,409	-	-	916	1,409
Rosleko Sp. z o.o.	Poland	26.67	-	-	-	-	-	-	-	-	-
Sao Ta Foods Joint Stock Company ****	Vietnam	16.48	-	1,193	-	1,190	-	-	-	1,190	-
Zhan Jiang Deni Carburetor Co., Ltd. *****	China	14.12	14.12	424	424	590	530	-	-	590	530
Total				**73,977**	**113,922**	**76,566**	**114,631**	**-**	**-**	**76,566**	**114,631**
Grand total				**207,357**	**199,085**	**230,428**	**217,839**	**-**	**-**	**230,428**	**217,839**

[*] Makro is an associate in which 8.85% of the total issued and paid share capital was held by CPM, a 99.99% directly 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.

[***] Chia Tai Investment Co., Ltd. ("CTI") is an associate in which 35.00% of the total issued and paid-up share capital was held by C.P. Pokphand Co., Ltd. ("CPP"), a 52.25% directly and indirectly owned subsidiary. Therefore, the Group accounted for its investments in CTI using the equity method based on 18.29% shareholding in the consolidated financial statements. In this regard, CPP exercises significant influence in these companies by having representatives in the board of directors and involving in setting the policy and making the significant decisions for them.

[****] Sao Ta Foods Joint Stock Company ("Sao Ta") is an associate in which 24.90% of the total issued and paid-up share capital was held by C.P. Vietnam Corporation, a 66.18% indirectly owned subsidiary. In this regard, the Group accounted for its investment in Sao Ta using the equity method based on 16.48% shareholding in the consolidated financial statements.

[*****] 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.

Details of investments in associates (Continued)

(Unit: Million Baht)

		Separate financial statements							
	Country of operation	Ownership interest *(%)*		Cost method		Accumulated impairment		At cost - net	
		2021	2020	2021	2020	2021	2020	2021	2020
Marketable security									
CP ALL Public Company Limited	Thailand	0.28	0.97	1,486	5,198	-	-	1,486	5,198
Total				**1,486**	**5,198**	**-**	**-**	**1,486**	**5,198**
Non-marketable securities									
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	-	-	160	160
C.P. Aquaculture (India) Private Limited	India	-	31.70	-	176	-	-	-	176
Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	1	1	(1)	(1)	-	-
Total				**161**	**337**	**(1)**	**(1)**	**160**	**336**
Grand Total				**1,647**	**5,535**	**(1)**	**(1)**	**1,646**	**5,534**

CP ALL Public Company Limited ("CP ALL") is an associate in which 0.28% of the total issued and paid share capital was held by the Company and is treated as investment in associate by having representatives in the board of directors and involving in setting the policy and making the significant decisions. The Company accounted for the investment in CP ALL using the cost method in the separate financial statements.

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:

(Unit: Million Baht)

	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		Siam Makro Public Company Limited and subsidiaries	C.P. Retail Holding Co., Ltd.*
	2021	2020	2021	2020	2021	2020
Financial information of the associate						
Revenue	594,085	546,527	224,058	32,455	74,049	9,716
Profit (loss) from continuing operations	11,987	16,503	(4,669)	6,167	1,488	(158)
Other comprehensive income (expense)	1,834	598	26,924	(520)	(140)	(48)
Total comprehensive income (expense)	**13,821**	**17,101**	**22,255**	**5,647**	**1,348**	**(206)**
Attributable to non-controlling interests	(933)	400	700	-	1	-
Attributable to the equity holder of the associate	14,754	16,701	21,555	5,647	1,347	(206)
Current assets	165,773	81,404	88,111	79,895	110,000	44,786
Non-current assets	766,680	441,950	279,904	220,385	459,549	131,242
Current liabilities	(214,888)	(203,003)	(103,733)	(71,153)	(118,211)	(165,407)
Non-current liabilities	(424,758)	(208,756)	(46,776)	(26,187)	(162,781)	(37,289)
Net assets	**292,807**	**111,595**	**217,506**	**202,940**	**288,557**	**(26,668)**
Attributable to non-controlling interests	204,035	31,243	6,816	6,415	501	7
Attributable to the equity holder of the associate	88,773	80,352	210,690	196,525	288,056	(26,675)

(Unit: Million Baht)

	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		Siam Makro Public Company Limited and subsidiaries	C.P. Retail Holding Co., Ltd.*
	2021	2020	2021	2020	2021	2020
Reconciliation of the carrying amount of the interests in the associate						
Group's interest in net assets of the associate at 1 January / acquisition date	27,400	25,845	35,759	-	25,900	(5,294)
Total comprehensive income attributable to the Group	5,012	5,678	3,941	1,128	149	(41)
Dividends received during year	(2,760)	(3,801)	(1,284)	(1,689)	-	-
Impact from change in accounting policy	-	(479)	-	-	-	-
Difference from change in ownership	522	157	108	36,496	(564)	-
Group's interests in net assets of the associate at end of year	30,174	27,400	38,524	35,935	25,485	(5,335)
Goodwill	78,097	75,808	34,725	34,549	20,051	45,304
Transaction costs	-	-	-	-	55	165
Transfer from cash flow hedge reserve	-	-	-	-	-	797
Carrying amount of the interests in the associate at 31 December	**108,271**	**103,208**	**73,249**	**70,484**	**45,591**	**40,931**

* Closed in 2021

Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates:

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Carrying amount of interests in immaterial associates	**3,317**	**3,216**
Group's share of:		
- Profit from continuing operations	200	560
- Other comprehensive income	29	326
- Total comprehensive income	229	886

Contingent liabilities relating to the investments in associates as at 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Group's share of contingent liabilities	-	13

13 Investments in joint ventures

Movements during the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
At 1 January	21,014	19,434	4,360	4,360
Acquisition/additional investments	798	359	-	-
Share of profit	591	2,121	-	-
Share of other comprehensive income	1,142	232	-	-
Dividend income	(1,133)	(525)	-	-
Transfer previously held interest in joint venture before status change to subsidiary	-	(29)	-	-
Disposal of previously held interest in joint venture from loss control in a subsidiary	-	(572)	-	-
Others	-	(6)	-	-
At 31 December	**22,412**	**21,014**	**4,360**	**4,360**

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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non-marketable securities											
CP-Meiji Co., Ltd. ("CP-Meiji") *	Thailand	59.99	59.99	1,200	1,200	2,859	2,664	-	-	2,859	2,664
Andhra Pradesh Broodstock Multiplicationcentre Private Limited**	India	74.99	74.99	98	98	90	91	-	-	90	91
Camanor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	373	409	-	-	373	409
CP-MP Logistics Joint Stock Company	Vietnam	32.43	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	3,174	2,986	-	-	3,174	2,986
Feng Sheng Livestock Co., Ltd.	Taiwan	19.51	19.51	107	107	112	107	-	-	112	107
HyLife Group Holdings Ltd.**	Canada	50.10	50.10	10,703	9,988	12,344	11,272	-	-	12,344	11,272
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	3,366	3,476	-	-	3,366	3,476
Well Well Invest S.A.	Poland	33.33	-	83	-	86	-	-	-	86	-
Westbridge Foods Holding B.V.**	Netherlands	49.99	49.99	6	6	6	7	-	-	6	7
Total				**17,857**	**17,059**	**22,412**	**21,014**	**-**	**-**	**22,412**	**21,014**

[*] 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:

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Carrying amount of interests in immaterial joint ventures	**22,412**	**21,014**
Group's share of:		
- Profit from continuing operations	591	2,121
- Other comprehensive income	1,142	229
- Total comprehensive income	1,733	2,350

Contingent liabilities and commitments relating to the investments in joint ventures as at 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Group's share of the commitments	758	627

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	
		2021	2020	2021	2020	2021	2020	2021	2020
Non-marketable securities									
Camanor 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**

14 Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improve-ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/revaluation						
At 1 January 2020	33,489	114,160	112,410	14,137	21,001	295,197
Additions	184	430	1,503	1,210	24,381	27,708
Acquired through business acquisitions	104	1,445	826	48	41	2,464
Surplus on revaluation	14,866	-	-	-	-	14,866
Transfers	460	9,301	8,464	739	(19,302)	(338)
Transfers from investment properties	-	133	-	26	-	159
Transfers to investment properties	(82)	(35)	-	-	-	(117)
Disposals from loss control of subsidiaries	(370)	(17,926)	(17,126)	(3,099)	(4,596)	(43,117)
Disposals	(29)	(798)	(1,917)	(672)	(4)	(3,420)
Currency translation differences	480	506	2,282	(65)	(433)	2,770
At 31 December 2020 and 1 January 2021	**49,102**	**107,216**	**106,442**	**12,324**	**21,088**	**296,172**
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	273	28	-	-	-	301
Disposals	(254)	(1,182)	(2,251)	(792)	(33)	(4,512)
Currency translation differences	1,072	6,434	6,564	769	2,145	16,984
At 31 December 2021	**53,820**	**127,432**	**122,537**	**15,940**	**25,272**	**345,001**

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 2020	-	(40,020)	(51,580)	(9,272)	-	(100,872)
Depreciation charge for the year	-	(6,062)	(8,881)	(1,354)	-	(16,297)
Impairment losses	-	(158)	(63)	(3)	-	(224)
Transfers	-	213	(161)	(21)	-	31
Disposals from loss control of subsidiaries	-	7,322	9,835	2,244	-	19,401
Disposals	-	587	1,533	620	-	2,740
Currency translation differences	-	83	(968)	72	-	(813)
At 31 December 2020 and 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	**-**	**(45,045)**	**(60,524)**	**(8,925)**	**-**	**(114,494)**
Net book value						
At 31 December 2020	**49,102**	**69,181**	**56,157**	**4,610**	**21,088**	**200,138**
At 31 December 2021	**53,820**	**82,387**	**62,013**	**7,015**	**25,272**	**230,507**

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 2020	6,383	12,536	11,418	1,044	487	31,868
Additions	-	-	65	20	251	336
Surplus on revaluation	2,838	-	-	-	-	2,838
Transfers	-	151	465	2	(621)	(3)
Disposal	-	(80)	(272)	(29)	-	(381)
At 31 December 2020 and 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	**9,221**	**12,543**	**11,760**	**1,054**	**100**	**34,678**
Accumulated depreciation and impairment losses						
At 1 January 2020	-	(7,857)	(7,966)	(953)	-	(16,776)
Depreciation charge for the year	-	(671)	(693)	(41)	-	(1,405)
Disposals	-	68	261	29	-	358
At 31 December 2020 and 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	**-**	**(8,987)**	**(8,917)**	**(987)**	**-**	**(18,891)**
Net book value						
At 31 December 2020	**9,221**	**4,147**	**3,278**	**72**	**117**	**16,835**
At 31 December 2021	**9,221**	**3,556**	**2,843**	**67**	**100**	**15,787**

Capitalised borrowing cost in 2021 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 335 million and Baht 2 million, respectively *(2020: Baht 434 million and Baht 4 million, respectively)* is recognised as a part of cost of assets.

Fair value measurement

Appraisal prices of the Group and the Company's land were valued by the independent professional valuers using Market Comparison Approach, at fair market values totalling Baht 53,820 million and Baht 9,221 million, respectively *(2020: Baht 49,102 million and Baht 9,221 million, respectively).*

The fair value measurement for the land has been categorised as a Level 2 amount Baht 254 million and a Level 3 amount Baht 53,566 million fair value based on the inputs to the valuation technique used *(2020: a Level 2 amount Baht 254 million and a Level 3 amount Baht 48,848 million)*.

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Quotation and actual sales prices of comparable land adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

15 Leases

As a lessee

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Right-of-use assets				
Land and buildings	27,459	25,701	121	173
Equipment	2,002	1,987	73	31
Vehicles	1,440	1,357	179	219
Leasehold rights	3,763	3,328	-	-
Total	**34,664**	**32,373**	**373**	**423**

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 5,915 million and Baht 215 million, respectively *(2020: Baht 6,590 million and Baht 316 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 57 years expiring in 2022 to 2078.

(Unit: Million Baht)

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and buildings	3,955	3,810	144	133
- Equipment	425	283	12	11
- Vehicles	609	559	106	82
Interest on lease liabilities	2,703	2,469	11	12
Expenses relating to short-term leases	1,718	1,633	52	91
Expenses relating to leases of low-value assets	22	34	1	1
Variable lease payments based on sales	74	55	3	-
Lease expense	**1,814**	**1,722**	**56**	**92**
Contingent rent expense	656	2,155	3	4

In 2021, total cash outflow for leases of the Group and the Company were Baht 6,860 million and Baht 316 million, respectively *(2020: Baht 6,704 million and Baht 322 million, respectively).*

16 Goodwill

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Cost		
At 1 January	60,666	89,942
Acquired through business acquisitions	656	38
Fair value adjustments	-	(1)
Disposals from loss control of subsidiary	-	(28,547)
Currency translation differences	5,596	(766)
At 31 December	**66,918**	**60,666**
Impairment loss		
At 1 January	(6,101)	(2,180)
Impairment loss	-	(3,921)
At 31 December	**(6,101)**	**(6,101)**
Net book value		
At 1 January	**54,565**	**87,762**
At 31 December	**60,817**	**54,565**

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.

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 2020	760	1,824	6,721	11,862	21,167
Additions	63	88	-	460	611
Acquired through business acquisitions	-	-	-	4	4
Transfers	45	1	-	7	53
Disposals from loss control of a subsidiary	-	-	(1,516)	(2,696)	(4,212)
Disposals	-	-	-	(37)	(37)
Currency translation differences	1	16	188	325	530
At 31 December 2020 and 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	**1,063**	**2,194**	**5,953**	**10,899**	**20,109**
Accumulated amortisation					
1 January 2020	(493)	(359)	(1,586)	(4,324)	(6,762)
Amortisation charge for the year	(67)	(121)	(490)	(481)	(1,159)
Transfers	-	-	-	1	1
Disposals from loss control of a subsidiary	-	-	536	2,646	3,182
Disposals	-	-	-	11	11
Currency translation differences	(1)	1	(44)	(202)	(246)
At 31 December 2020 and 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	**(663)**	**(682)**	**(2,181)**	**(2,934)**	**(6,460)**
Net book value					
At 31 December 2020	**308**	**1,450**	**3,809**	**7,576**	**13,143**
At 31 December 2021	**400**	**1,512**	**3,772**	**7,965**	**13,649**

17 Other intangible assets (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
Cost			
At 1 January 2020	7	106	113
Transfers	-	2	2
At 31 December 2020 and 1 January 2021	**7**	**108**	**115**
Additions	-	1	1
Disposals	-	(5)	(5)
At 31 December 2021	**7**	**104**	**111**
Accumulated amortisation			
At 1 January 2020	(6)	(79)	(85)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2020 and 1 January 2021	**(6)**	**(85)**	**(91)**
Amortisation charge for the year	-	(6)	(6)
Disposals	-	5	5
At 31 December 2021	**(6)**	**(86)**	**(92)**
Net book value			
At 31 December 2020	**1**	**23**	**24**
At 31 December 2021	**1**	**18**	**19**

18 Interest-bearing liabilities

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Current					
Bank overdrafts and short-term borrowings from financial institutions		70,992	63,846	-	5,400
Bills of exchange		17,964	38,754	8,488	18,158
Short-term borrowing from subsidiaries	*6*	-	-	-	13,251
Short-term borrowings from related parties	*6*	1,456	423	-	-
Total		**90,412**	**103,023**	**8,488**	**36,809**
Current portion of long-term debts					
Long-term borrowings from financial institutions		27,465	13,692	683	-
Debentures		11,600	20,450	11,600	8,500
Exchangeable bond		-	2,885	-	-
Lease liabilities		4,439	4,173	146	217
Total		**43,504**	**41,200**	**12,429**	**8,717**
Total current		**133,916**	**144,223**	**20,917**	**45,526**
Non-current					
Long-term borrowings from financial institutions		101,733	79,178	2,467	2,858
Debentures		190,190	156,790	111,140	92,740
Exchangeable bond		9,317	8,228	-	-
Lease liabilities		29,461	27,692	225	186
Total non-current		**330,701**	**271,888**	**113,832**	**95,784**
Grand total		**464,617**	**416,111**	**134,749**	**141,310**

Long-term borrowings from financial institutions

As at 31 December 2021, certain foreign subsidiaries had secured long-term borrowings totalling Baht 25,783 million *(2020: Baht 15,857 million)* which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 13,731 million *(2020: Baht 11,156 million)*, current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 7,252 million *(2020: Baht 6,339 million)*, ordinary shares of a foreign subsidiary of 1,102 million *(2020: Baht 4,548 million)*.

In this regards, the Group had significant borrowing agreements with financial institutions as follows:

CPF Investment Limited ("CPFI")

CPFI, a 100.00% owned subsidiary of the Company had secured long-term borrowing agreements with various financial institutions, credit facilities totalling U.S. Dollar 2,468 million. Interest rate of such borrowing is LIBOR 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 52.25% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions ("the agreement") amounting to U.S. Dollar 595 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.

Debentures

As at 31 December, the Company and certain subsidiaries had debentures as follows:

(Unit: Million Baht)

Debentures	interest rates *(% per annum)*	Term *(Year)*	Maturity Year	Consolidated financial statements 2021	Consolidated financial statements 2020	Separate financial statements 2021	Separate financial statements 2020
Charoen Pokphand Foods Public Company Limited (the "Company")							
1/2011 (1)	4.87 - 5.42	10 - 30	2021 - 2041	4,000	7,000	4,000	7,000
2/2011 (1)	5.42	30	2041	6,000	6,000	6,000	6,000
2/2012	4.40 - 6.00	10 - 20	2022 - 2032	9,000	9,000	9,000	9,000
2/2013	4.90	8	2021	-	5,500	-	5,500
1/2015	3.21 - 3.98	5 - 8	2020 - 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	2.28 - 3.73	4 - 15	2020 - 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	2.74 - 4.66	2 - 12	2020 - 2024	18,300	18,300	18,300	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	-
Total				**122,740**	**101,240**	**122,740**	**101,240**
CPF (Thailand) Public Company Limited ("CPFTH")							
1/2016	3.10 - 4.15	5 - 12	2021 - 2028	8,550	16,000	-	-
2/2016	2.51 - 3.95	7 - 15	2020 - 2031	8,000	8,000	-	-
1/2018	2.43 - 4.43	3 - 15	2021 - 2033	10,500	15,000	-	-
1/2019	2.91 - 4.18	4 - 12	2023 - 2031	17,000	17,000	-	-
1/2020	3.15 - 4.11	5 - 15	2025 - 2035	20,000	20,000	-	-
1/2021	2.50 - 3.70	6 - 15	2027 - 2033	15,000	-	-	-
Total				**79,050**	**76,000**	**-**	**-**
Grand Total				**201,790**	**177,240**	**122,740**	**101,240**
Less current portion				(11,600)	(20,450)	(11,600)	(8,500)
Net				**190,190**	**156,790**	**111,140**	**92,740**

(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 7 December 2021 and 26 April 2021, respectively.

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:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
C.P. Foods Holdings Limited ("CPFH")	-	2,885	-	-
C.P. Foods Capital Limited ("CPFC")	9,317	8,228	-	-
Total	**9,317**	**11,113**	**-**	**-**
Less current portion	-	(2,885)	-	-
Net	**9,317**	**8,228**	**-**	**-**

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. The initial exchange ratio of the EBs is 170,435 (rounded up) of ordinary shares of the Company for each U.S. Dollar 200,000 principal amount of EBs (1 ordinary share of the Company equivalent to Baht 36.80 at the exchange rate U.S. Dollar 1: Baht 31.36). In addition, CPFC, as the EBs issuer, has option to redeem at 110.58% of their principal amount at the maturity date.

The issuance and offering of the EBs were completed and the EBs were listed on Singapore Stock Exchange on 18 June 2020.

As at 31 December 2021, the carrying amount of the EBs were U.S. Dollar 280 million or equivalent to Baht 9,317 million. The EBs are recognised as Convertible Bonds in the consolidated financial statements *(2020: U.S. Dollar 274 million or equivalent to Baht 8,228 million).*

19 Treasury shares

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Ordinary shares of the Company				
At 1 January	6,088	-	6,088	-
Addition	157	6,088	157	6,088
At 31 December	**6,245**	**6,088**	**6,245**	**6,088**
Ordinary shares of the Company held by subsidiaries				
At 1 January	2,909	2,909	-	-
Addition	1,178	-	-	-
At 31 December	**4,087**	**2,909**	**-**	**-**
Grand total	**10,332**	**8,997**	**6,245**	**6,088**

On 30 September 2021, the Board of Directors of the Company passed the resolution to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 4.65% of the total number of paid-up share capital of the Company. In this regard, the Company repurchased its ordinary shares through the main board of the Stock Exchange of Thailand during the specified period from 15 October 2021 to 14 April 2022. 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 14 April 2025.

As at 31 December 2021, the Company had repurchased 7 million treasury shares amounting Baht 157 million *(2020: 198 million treasury shares amounting Baht 6,088 million)*.

20 Accounts payable - trade and others

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Related parties	*6*	14,663	11,886	265	199
Other parties		29,709	20,426	883	934
Total		**44,372**	**32,312**	**1,148**	**1,133**

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:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Present value of funded - defined benefit obligations	537	549	-	-
Fair value of plan assets	(347)	(328)	-	-
	190	**221**	**-**	**-**
Present value of unfunded - defined benefit obligations	9,366	10,332	2,704	2,977
Total	**9,556**	**10,553**	**2,704**	**2,977**

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:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Defined benefit obligations at 1 January	10,881	9,927	2,977	2,726
Benefits paid by the plans	(790)	(669)	(124)	(171)
Current service costs and interest	904	863	233	226
Defined benefit plan actuarial (gains) losses	(1,166)	752	(382)	196
Others	74	8	-	-
Defined benefit obligations at 31 December	**9,903**	**10,881**	**2,704**	**2,977**
Fair value of plan assets at 1 January	328	331	-	-
Expected return on plan assets	1	2	-	-
Defined benefit plan actuarial gains	7	11	-	-
Contributions paid	33	24	-	-
Benefits paid by the plans	(59)	(64)	-	-
Currency translation differences	37	24	-	-
Fair value of plan assets at 31 December	**347**	**328**	**-**	**-**

Expenses or income recognised in the statement of income for the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current service costs	591	575	149	149
Interest costs	313	288	84	77
Expected return on plan assets	(1)	(2)	-	-
Total	**903**	**861**	**233**	**226**

Actuarial gains (losses) recognised in other comprehensive income attributable to equity holders for the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Included in retained earnings:				
At 1 January	(1,402)	(832)	(260)	(103)
Recognised during the year	997	(570)	306	(157)
At 31 December	**(405)**	**(1,402)**	**46**	**(260)**

Principal actuarial assumptions at 31 December were as follows:

(Unit: %)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	0.65 - 13.00	0.30 - 13.00	1.90	1.28
Future salary increases	2.00 - 10.00	2.00 - 8.50	3.00 - 6.00	3.00 - 6.50

Assumptions regarding future mortality are based on mortality tables of each country.

As at 31 December 2021, the weighted-average duration of the defined benefit obligation was 11 years *(2020: 9 years)*.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
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)
Defined benefit obligation as at 31 December 2020				
Discount rate (1% movement)	(820)	956	(238)	277
Future salary change (1% movement)	909	(801)	264	(232)

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:

a. The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.

b. 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.

Other components of equity

1) Revaluation differences on assets

Revaluation differences on assets recognised in equity relate to cumulative surpluses arising from the revaluations of freehold land until such assets are disposed.

2) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non- financial liability.

3) Fair value changes

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 2021, the legal reserve was Baht 929 million *(2020: Baht 929 million).*

23 Subordinated perpetual debentures

On 2 March 2017 the Company issued subordinated perpetual debentures which is similar to equity with one-time payment upon dissolution of the Company or upon the exercise of the Company's early redemption right ("Debentures") of Baht 15,000 million. The debentures were in registered name form, unsecured and unconvertible with debenture holder representative and the Company had the early redemption right pursuant to the terms and conditions of the debentures. The Debentures' interest rates during the first year to the fifth year is 5%, and after the fifth year the interest rate is adjusted every 5 years based on: (1) 5-year government bond yield, (2) Initial Credit Spread, and (3) percentage as stipulated in the prospectus; and will be paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without limitation on deferral period and times at the sole discretion of the Company. If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

(a) declare or pay any dividend,
(b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and
(c) redeem, reduce, cancel, acquire, or buy-back any of any securities issued by the Company which rank pari passu or junior to these Debentures.

During the year 2021, the Company paid interest to the Debentures holders amount of Baht 750 million *(2020: Baht 752 million).* The interest expense and other expenses of Baht 751 million *(2020: Baht 752 million)* was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2021.

As at 31 December 2021, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 249 million *(2020: Baht 249 million).*

As at 31 December 2021, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation,* explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions issued the Announcement of Federation of Accounting Professions dated 3 December 2020 regarding *additional transition for classification of perpetual bonds* as an additional guideline during the transition period. The Company applies this announcement and classified the subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. If, as at 31 December 2021, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities of the Group and the Company will increase by Baht 15,000 million and total shareholders' equity will decrease by Baht 15,000 million.

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

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	
	2021	2020	2021	2020	2021	2020
Statements of income						
Revenue from sale of goods	435,311	516,494	77,393	73,219	512,704	589,713
Operating profit	17,536	49,068	1,443	5,092	18,979	54,160
Central income, net					4,224	7,503
Finance costs					(16,596)	(16,818)
Net foreign exchange gains					651	994
Share of profit of associates and joint ventures					4,167	9,254
Income tax (expense) income					2,654	(11,001)
Profit for the year					**14,079**	**44,092**
Assets						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	234,519	207,277	42,649	36,836	277,168	244,113
Central assets, net					1,652	1,541
Other assets					563,861	516,065
Total					**842,681**	**761,719**

Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group comprises the following main information about geographical areas:

Area 1 : Thailand
Area 2 : Asia
Area 3 : Europe
Area 4 : America
Area 5 : Others

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Revenue from external customers		Non-current assets (excluded deferred tax assets and other non-current financial assets)	
	2021	2020	2021	2020
Thailand	160,050	151,429	259,906	250,810
Asia	261,894	359,893	264,798	236,332
Europe	60,515	51,643	44,895	29,833
America	28,894	25,631	51,423	47,127
Others	1,351	1,117	-	-
Total	**512,704**	**589,713**	**621,022**	**564,102**

Information about major customer

During the year 2021 and 2020, 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	
	2021	2020	2021	2020	2021	2020
Categories of main products						
Animal feed	85,499	176,078	41,573	42,113	127,072	218,191
Animal farm products	249,255	250,735	28,191	23,956	277,446	274,691
Processed foods and ready meals	100,557	89,681	7,629	7,150	108,186	96,831
Total	**435,311**	**516,494**	**77,393**	**73,219**	**512,704**	**589,713**

Details of revenue disaggregated by categories of main products for the years ended 31 December were as follows: (Continued)

(Unit: Million Baht)

	Separate financial statements	
	Reportable segment Aquaculture business	
	2021	2020
Categories of main products		
Animal feed	13,756	12,530
Animal farm products	10,848	10,450
Processed foods and ready meals	2,450	2,541
Total	**27,054**	**25,521**

Contract Balances

As at 31 December 2021, the Group and the Company had contract liabilities of Baht 1,521 million and Baht 55 million, respectively *(2020: Baht 896 million and Baht 38 million, respectively),* which represents the obligation to transfer goods to customers for which the consideration has been received.

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts "other current liabilities" in the consolidated statement of financial position as at 31 December 2021.

Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E.2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

(a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;

(b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and

(c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December were summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2021	2020	2021	2020	2021	2020
Local sales	3,250	6,043	20,807	16,081	24,057	22,124
Export sales	36	247	2,961	3,150	2,997	3,397
Total revenue from sale of goods	**3,286**	**6,290**	**23,768**	**19,231**	**27,054**	**25,521**

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 1,893 million and Baht 254 million in the consolidated and separate statements of income for the year ended 31 December 2021, respectively *(2020: Baht 1,582 million and Baht 210 million, respectively).*

(b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 56,416 million and Baht 5,818 million in the consolidated and separate statements of income for the year ended 31 December 2021, respectively *(2020: Baht 60,072 million and Baht 5,887 million, respectively).*

26 Expenses by nature

Expenses consisted of:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost of sales of goods	446,815	482,469	25,137	22,809
Distribution costs	20,236	23,900	944	955
Administrative expenses	30,644	33,765	2,522	2,347
Total	**497,695**	**540,134**	**28,603**	**26,111**

Details of expenses by nature for the period ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Changes in finished goods, work in progress and biological assets	(9,634)	114	514	(171)
Raw materials and consumables used	338,619	370,745	15,120	13,275
Employee benefit expenses	58,309	61,654	6,072	6,097
Factory and office expenses	47,532	45,526	4,050	4,100
Depreciation and amortisation	22,439	22,312	1,572	1,639
Transportation expenses	15,559	12,926	626	490
Advertising, public relationship and sale promotion expenses	4,177	3,665	130	107
Vehicle and traveling expenses	1,970	3,577	115	138
Taxes, government and bank fees	1,927	2,254	47	40
Lease-related expenses	1,814	1,722	56	92
Others	14,983	15,639	301	304
Total cost of sales of goods, distribution costs and administrative expenses	**497,695**	**540,134**	**28,603**	**26,111**

27 Income tax

Income tax recognised in profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current tax				
Current year	6,704	10,462	2	92
Under (over) provided in prior years	(275)	668	-	-
	6,429	**11,130**	**2**	**92**
Deferred tax				
Movements in temporary differences	(545)	(995)	(14)	(1)
Movements in tax losses	(3,230)	866	(1,473)	262
	(3,775)	**(129)**	**(1,487)**	**261**
Income tax expense (income)	**2,654**	**11,001**	**(1,485)**	**353**

Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	222	(39)	183	14,866	(2,574)	12,292
Fair value changes on investments	206	(84)	122	(861)	60	(801)
Currency translation differences	15,576	(1)	15,575	541	67	608
Defined benefit plan actuarial gains (losses)	1,174	(239)	935	(740)	150	(590)
Cash flow hedges reserve	1,308	(55)	1,253	(751)	52	(699)
Share of income tax of investments in associates and joint ventures	7,194	-	7,194	1,402	-	1,402
Total	**25,680**	**(418)**	**25,262**	**14,457**	**(2,245)**	**12,212**

(Unit: Million Baht)

	Separate financial statements					
	2021			2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	-	-	-	2,837	(567)	2,270
Fair value changes on investments	98	(19)	79	-	-	-
Defined benefit plan actuarial gains (losses)	383	(77)	306	(197)	39	(158)
Cash flow hedges reserve	48	(10)	38	(42)	8	(34)
Total	**529**	**(106)**	**423**	**2,598**	**(520)**	**2,078**

Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
Applicable tax rates	0%	10%	20%	Others	Total
2021					
Accounting profit (loss) 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)
Under provided in prior years	-	-	(5)	(270)	(275)
Total	**-**	**229**	**422**	**2,003**	**2,654**
2020					
Accounting profit (loss) before income tax, total	(2,220)	1,141	24,501	31,671	55,093
Tax at the applicable tax rates	-	114	4,900	3,477	8,491
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	487	839	516	1,842
Under provided in prior years	-	-	11	657	668
Total	**-**	**601**	**5,750**	**4,650**	**11,001**

Reconciliation of effective tax rate

(Unit: Million Baht)

	Separate financial statements			
Applicable tax rates	0%	20%	Others	Total
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)**
2020				
Accounting profit before income tax, total	350	8,727	-	9,077
Tax at the applicable tax rates	-	1,745	-	1,745
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,392)	-	(1,392)
Total	**-**	**353**	**-**	**353**

Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	4,964	2,948	1,472	91
Deferred tax liabilities	(8,554)	(8,962)	-	-
Net deferred tax assets (liabilities)	**(3,590)**	**(6,014)**	**1,472**	**91**

Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
		Charged/Credited to				
	At 1 January 2021	Profit or loss	Other comprehensive income	Acquired in business combination	Currency translation differences	**At 31 December 2021**
Deferred tax assets (liabilities)						
Biological assets	(1,563)	395	-	(31)	(137)	(1,336)
Investments	(321)	-	(84)	-	-	(405)
Derivatives	204	(1)	(55)	-	4	152
Tax losses	3,550	3,230	-	137	125	7,042
Other intangible assets	(2,887)	295	-	-	(224)	(2,816)
Property, plant and equipment	(7,958)	78	(39)	(468)	(259)	(8,646)
Right-of-use assets	(2,844)	(273)	-	(5)	(65)	(3,187)
Lease liabilities	3,422	304	-	7	119	3,852
Provisions for employee benefits	1,606	55	(239)	18	(2)	1,438
Others	777	(308)	-	(170)	17	316
Total	**(6,014)**	**3,775**	**(417)**	**(512)**	**(422)**	**(3,590)**

Movements of deferred tax assets and liabilities during the year 2020 were as follows:

(Unit: Million Baht)

	Consolidated financial statements						
		Charged/Credited to					
	At 1 January 2020	Profit or loss	Other comprehensive income	Acquired in business combination	Disposals from loss control of subsidiary	Currency translation differences	**At 31 December 2020**
Deferred tax assets (liabilities)							
Biological assets	(1,599)	41	-	-	-	(5)	(1,563)
Investments	(470)	48	60	-	47	(6)	(321)
Derivatives	153	10	52	-	-	(11)	204
Tax losses	4,475	(866)	-	153	(124)	(88)	3,550
Other intangible assets	(2,864)	330	-	-	-	(353)	(2,887)
Property, plant and equipment	(6,137)	(181)	(2,574)	(240)	874	300	(7,958)
Right-of-use assets	(1,900)	(1,064)	-	(70)	210	(20)	(2,844)
Lease liabilities	2,346	1,217	-	74	(206)	(9)	3,422
Provisions for employee benefits	1,379	82	150	-	-	(5)	1,606
Others	229	512	-	6	85	(55)	777
Total	**(4,388)**	**129**	**(2,312)**	**(77)**	**886**	**(252)**	**(6,014)**

Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Separate financial statements			
		Charged/Credited to		
	At 1 January 2021	Profit or loss	Other comprehensive income	**At 31 December 2021**
Deferred tax assets (liabilities)				
Investments	(74)	-	(19)	(93)
Derivatives	23	-	(10)	13
Land	(1,272)	1	-	(1,271)
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	(12)	(9)	-	(21)
Total	**91**	**1,487**	**(106)**	**1,472**

As at 31 December 2021, 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 19,911 million *(2020: the Group and the Company had temporary differences arising from unutilised tax losses amounting Baht 11,336 million and Baht 1,594 million, respectively)* 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 2020 were as follows:

(Unit: Million Baht)

	Separate financial statements			
		Charged/Credited to		
	At 1 January 2020	Profit or loss	Other comprehensive income	**At 31 December 2020**
Deferred tax assets (liabilities)				
Investments	(74)	-	-	(74)
Derivatives	15	-	8	23
Land	(705)	-	(567)	(1,272)
Right-of-use assets	(85)	-	-	(85)
Lease liabilities	80	1	-	81
Provisions for employee benefits	501	12	39	552
Tax losses	1,140	(262)	-	878
Others	-	(12)	-	(12)
Total	**872**	**(261)**	**(520)**	**91**

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 financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit for the year attributable to ordinary shareholders of the Company	**13,028**	**26,022**	**2,066**	**8,724**
Less: cumulative interest expense for the year net of income tax on subordinated perpetual debentures	(600)	(602)	(600)	(602)
Profit used in calculation of earnings per share (basic)	**12,428**	**25,420**	**1,466**	**8,122**
Interest expense on convertible bonds, net of tax	251	130	-	-
Profit used in calculation of earnings per share (diluted)	**12,679**	**25,550**	**1,466**	**8,122**
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	(443)	(426)	-	-
Effect of own shares held	(198)	(80)	(198)	(80)
Number of ordinary shares outstanding (basic) at the end of period	**7,970**	**8,105**	**8,413**	**8,531**
Effect of conversion of convertible bonds	234	125	234	125
Number of ordinary shares outstanding (diluted) at the end of period	**8,204**	**8,230**	**8,647**	**8,656**
Basic earnings per share *(in Baht)*	**1.56**	**3.14**	**0.17**	**0.95**
Diluted earnings per share *(in Baht)*	**1.55**	**3.10**	**0.17**	**0.94**

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
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**	
2020				
1 April 2020	0.40	8,611,242,385	3,444	Profit after deduction of taxable losses
13 August 2020	0.40	8,497,952,585	3,400	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
Total			**6,844**	

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.

(Unit: Million Baht)

		Consolidated financial statements							
		Carrying amount				Fair value			
At 31 December 2021	*Note*	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
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 institutions	*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**				

(Unit: Million Baht)

		Consolidated financial statements							
		Carrying amount				Fair value			
At 31 December 2020	*Note*	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity securities									
-Marketable equity securities		-	2,552	-	2,552	2,552	-	-	2,552
-Non-marketable equity securities		-	8,869	-	8,869	-	-	8,869	8,869
Other financial assets									
-Derivative assets		155	-	-	155	-	155	-	155
Total financial assets		**155**	**11,421**	**-**	**11,576**				
Financial liabilities									
Long-term borrowings									
-Debentures	*18*	-	-	177,240	177,240	-	185,646	-	185,646
-Exchangeable bonds	*18*	-	-	2,885	2,885	-	2,827	-	2,827
-Convertible bonds	*18*	-	-	8,228	8,228	-	8,252	-	8,252
-Long-term borrowings from financial institutions	*18*	-	-	92,870	92,870	-	92,966	-	92,966
Other financial liabilities									
-Derivative liabilities		2,190	-	-	2,190	-	2,190	-	2,190
Total financial liabilities		**2,190**	**-**	**281,223**	**283,413**				

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
At 31 December 2021	*Note*	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	761	-	761	-	-	761	761
Other non-current 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 institutions	*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**				

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
At 31 December 2020	*Note*	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Investment in equity securities									
-Non-marketable equity securities		-	663	-	663	-	-	663	663
Other non-current financial assets									
-Derivative assets		11	-	-	11	-	11	-	11
Total financial assets		**11**	**663**	**-**	**674**				
Financial liabilities									
Long-term borrowings									
-Debentures	*18*	-	-	101,240	101,240	-	107,305	-	107,305
-Long-term borrowings from financial institutions	*18*	-	-	2,858	2,858	-	3,041	-	3,041
Other financial liabilities									
-Derivative liabilities		309	-	-	309	-	309	-	309
Total financial liabilities		**309**	**-**	**104,098**	**104,407**				

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	*Forward pricing*: 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	*Swap models*: 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	- *Market comparison technique*: 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 (0.9 - 1.9 for 2021 and 1.0 - 1.6 for 2020).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- *Discounted cash flows*	Discount rate (11% for 2021)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

Reconciliation of Level 3 fair values

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Investment in non-marketable equity securities				
At 1 January	8,869	8,804	663	663
Acquisition/additional investments	494	-	-	-
Fair value adjustment	(603)	-	98	-
Currency translation differences	757	65	-	-
At 31 December	**9,517**	**8,869**	**761**	**663**

(b) Movement of marketable equity securities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Marketable equity securities				
Current financial assets				
Equity securities measured at FVOCI				
At 1 January	2,552	3,880	-	-
Fair value adjustment	809	(860)	-	-
Disposal of equity securities held under a loss of control entity	-	(512)	-	-
Currency translation differences	156	44	-	-
At 31 December	**3,517**	**2,552**	**-**	**-**

(c) Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(c.1.1) Accounts receivables - trade and others

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities and also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 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

(Unit: Million Baht)

	Consolidated financial statements			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	2021	2020	2021	2020
Within credit terms	28,732	24,172	165	318
Overdue 1 - 60 days	6,143	4,282	22	12
Overdue 60 - 120 days	1,485	666	240	17
More than 120 days	3,213	1,842	675	663
Total	**39,573**	**30,962**	**1,102**	**1,010**
Less allowance for expected credit losses	(1,102)	(1,010)		
Net	**38,471**	**29,952**		

(Unit: Million Baht)

	Separate financial statements			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	2021	2020	2021	2020
Within credit terms	1,774	1,553	-	-
Overdue 1 - 60 days	403	386	-	-
Overdue 60 - 120 days	432	124	-	-
More than 120 days	835	598	19	77
Total	**3,444**	**2,661**	**19**	**77**
Less allowance for expected credit losses	(19)	(77)		
Net	**3,425**	**2,584**		

(c.1.2) Guarantees

As at 31 December 2021, the Group had commitments under the letters of guarantee for financial guarantees for government agencies, financial institutions and others (see note 32.4).

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The outstanding balance of loans as at 31 December with the periods in which the loans mature were as follows:

(Unit: Million Baht)

	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**
2020				
Long-term loans to related parties	-	49	-	49
Total	**-**	**49**	**-**	**49**

(Unit: Million Baht)

	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
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**
2020				
Short-term loans to related parties	20,024	-	-	20,024
Long-term loans to related parties	-	570	-	570
Total	**20,024**	**570**	**-**	**20,594**

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
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
	169	**230**	**-**	**399**
2020				
Bank overdrafts and short-term borrowings from financial institutions	63,846	-	-	63,846
Bills of exchange	38,754	-	-	38,754
Short-term borrowings from related parties	423	-	-	423
Long-term borrowings from financial institutions	13,692	76,448	2,730	92,870
Debentures	23,335	81,456	83,562	188,353
Lease liabilities	4,173	11,871	15,821	31,865
Total	**144,223**	**169,775**	**102,113**	**416,111**
Other financial liabilities	670	1,520	-	2,190
	670	**1,520**	**-**	**2,190**

(Unit: Million Baht)

	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
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
	64	**-**	**-**	**64**
2020				
Short-term borrowings from financial institutions	5,400	-	-	5,400
Bills of exchange	18,158	-	-	18,158
Short-term borrowings from related parties	13,251	-	-	13,251
Long-term borrowings from financial institutions	-	2,858	-	2,858
Debentures	8,500	44,333	48,407	101,240
Lease liabilities	217	186	-	403
Total	**45,526**	**47,377**	**48,407**	**141,310**
Other financial liabilities	60	249	-	309
	60	**249**	**-**	**309**

Effective interest rate of interest-bearing liabilities excluded borrowings from related parties and debentures were as follows:

(Unit: %)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Bank overdrafts, bills of exchange and borrowings from financial institutions	3.31	2.89	1.62	1.89
Lease liabilities	6.57	6.39	3.03	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.

(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:

(Unit: Million Baht)

		Consolidated financial statements		Separate financial statements	
	Foreign currency	2021	2020	2021	2020
Accounts receivable - trade and others					
Foreign currencies	Won	-	137	2	-
	Renminbi	1,340	579	1,340	579
	U.S. Dollar	1,384	839	144	228
	Euro	368	345	-	-
	Pound Sterling	-	-	3	46
Forward exchange contracts	Won	-	137	2	-
	Renminbi	1,340	579	1,340	579
	U.S. Dollar	472	678	144	228
	Euro	3	-	-	-
	Pound Sterling	-	-	3	46
Interest-bearing liabilities					
Foreign currencies	U.S. Dollar	29,501	34,515	3,185	3,464
	Euro	164	309	-	-
Forwards exchange contracts and cross currency swap agreements	U.S. Dollar	21,876	6,109	3,185	3,464
	Euro	72	165	-	-
Accounts payable - trade and others					
Foreign currencies	U.S. Dollar	2,937	1,730	6	1
	Euro	602	997	9	-
	Renminbi	-	7	-	-
Forward exchange contracts	U.S. Dollar	271	444	1	1
	Euro	91	15	-	-
	Renminbi	-	7	-	-
Forecast sales					
Forward exchange contracts	Won	70	211	-	-
	U.S. Dollar	8,005	4,341	762	237
	Pound Sterling	392	121	-	32
	Euro	902	386	-	-
	Renminbi	134	206	135	206

(Unit: Million Baht)

	Foreign currency	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Forecast purchases					
Forward exchange contracts	U.S. Dollar	6,017	5,011	100	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the 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			
		Profit or loss		Equity, net of tax	
	Movement *(%)*	Strengthening	Weakening	Strengthening	Weakening
At 31 December 2021					
U.S. Dollar	1	70	(70)	(98)	98
At 31 December 2020					
U.S. Dollar	1	294	(294)	(39)	39

(Unit: Million Baht)

		Separate financial statements			
		Profit or loss		Equity, net of tax	
	Movement *(%)*	Strengthening	Weakening	Strengthening	Weakening
At 31 December 2021					
U.S. Dollar	1	-	-	(24)	24
At 31 December 2020					
U.S. Dollar	1	(23)	23	(1)	1

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages the interest rate risk of financial assets and financial liabilities by considering loan to or borrowing from including fixed and floating rate depend on the market situation. However, the interest rates of interest-bearing liabilities of the Group are mainly fixed rate. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

Cross currency swap agreements

As at 31 December 2021, 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 95 million *(2020: 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 60 million *(2020: U.S. Dollar 80 million)*. The subsidiary has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

3) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 67 million *(2020: U.S. Dollar 17 million)*. The subsidiary has commitments to make payments for the fixed interest rate in Vietnamese Dong and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

Interest rate swap agreements

As at 31 December 2021, 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 1,372 million *(2020: U.S. Dollar 1,213 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 plus specified rate.

(c.4) Cash flow hedges

The Group adopts hedge accounting for some derivatives which meet the condition of cash flow hedges instruments and determines the hedge ratio by considering the relationship of the relevant transactions and risk factors between hedged items and hedging instruments.

The Group determined hedge effectiveness at the inception of the hedge relationship, and through periodic effectiveness assessments, to ensure that an economic relationship exists between the hedged items and hedging instruments. 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:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
Details	Total carrying amounts	Cash flow hedge reserve	Total carrying amounts	Cash flow hedge reserve
2021				
Financial assets	13,356	(16)	1,533	(3)
Financial liabilities	32,693	(211)	3,205	(51)
Total		**(227)**		**(54)**
2020				
Financial assets	4,623	34	934	4
Financial liabilities	44,457	(1,470)	3,464	(96)
Total		**(1,436)**		**(92)**

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.

32 Commitments with non-related parties

As at 31 December the Group had commitments with non-related parties as follows:

32.1 Capital commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Contracted but not provided for				
Land, buildings and constructions	3,541	3,112	-	-
Machinery, equipment and others	5,293	2,485	170	275
Total	**8,834**	**5,597**	**170**	**275**

32.2 Other commitments

The Company had a Cooperative Technical agreement with Maejo University (the "university") whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at 31 December 2022. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company's assets in respect to the agreement as at 31 December 2021 totalled Baht 15 million *(2020: Baht 18 million)*.

32.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 2,658 million *(2020: Baht 2,051 million)*.

32.4 Letters of guarantee

(a) The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 11 million and Baht 1,518 million, respectively *(2020: Baht 16 million and Baht 2,490 million, respectively)*. The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.

(b) Certain foreign subsidiaries have commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 253 million *(2020: Baht 305 million)*.

32.5 Sponsor Undertaking

The Company has provided sponsor undertaking for the Exchangeable bond which was issued by a subsidiary, as disclosed in note 18.

33 Events after the reporting period

33.1 On 15 December 2021, the Special General Meeting of C.P. Pokphand Co., Ltd. ("CPP"), a 52.25% directly and indirectly owned subsidiary, approved the privatisation and withdrawal of listing of its ordinary shares from the Stock Exchange of Hong Kong Limited ("HKEX"). In this regard, the ordinary shares of CPP were withdrawn from HKEX on 18 January 2022.

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 6,991 million or equivalent to Baht 29,808 million sourcing from the internal cash resources and borrowing from financial institution. As a result, the Group's ownership interest in CPP increasing from 52.25% to 76.24%.

33.2 On 9 December 2021, the Company filed an offering circulars to the Securities and Exchange Commission to offer a 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"). Under the terms of the Debentures, the Company has the right to unconditionally defer interest and cumulative interest payments to Debentures holders without limitation on deferral period and times at the sole discretion of the Company. The Company offered the Debentures to institutional investors and/or general investors at offer price of Baht 1,000 per unit for not exceeding 15,000,000 units amounting to Baht exceeding 15,000 million and offered additional reserved Debentures not exceeding 3,000,000 units at the amount not exceeding Baht 3,000 million. The total offering Debentures are not exceeding 18,000,000 units amounting to Baht 18,000 million. The Debentures' interest rates during year 1 - 5 are 4.50%, per year after the fifth year, the interest rates are adjusted every 5 years based on (1) 5-year government bond yield, (2) Initial Credit Spread and (3) percentage as stipulated in the prospectus.

The above Debentures have a credit rating of "A-" with stable trend rated by TRIS Rating Co., Ltd. on 7 December 2021. In this regard, the Company will offer the Debentures during February and March 2022.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2022 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Group has preliminary assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the year of initial application.

35 Supplementary disclosure

During the fourth quarter of 2020, CTI changed its status from a subsidiary of the Group to an associate, as disclosed in the annual financial statement 2020.

In this regard, the transaction has significant impact to the changes of the consolidated statements of income. Additional disclosure of the comparative financial information, excluding CTI, for the year ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	For the year ended 31 December	
	2021	2020 (Unaudited)
Revenue from sales of goods	512,704	465,597
Other income	16,534	16,821
Total income	**529,238**	**482,418**
Cost of sale of goods	446,815	376,870
Distribution and administration expenses	50,880	45,472
Finance cost	16,596	16,093
Losses on changes in fair value of biological assets	2,381	270
Other expense	-	4,355
Total expense	**516,672**	**443,060**
Profit before share of profit of associates and joint ventures and income tax expense	**12,566**	**39,358**

Attachment 1-6 as shown on the Website

www.cpfworldwide.com/en/investors/report-56-1-2021/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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