

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

**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

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

## **Notes to the interim financial statements**

### **For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai 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 12 November 2021.

#### **1 Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of Charoen Pokphand Foods Public Company Limited, the “Company” and the Company and its subsidiaries (together referred to the “Group”) for the year ended 31 December 2020.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

#### **2 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.

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### 3 Acquisition of subsidiary

#### 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:

	<i>(Unit: Million Baht)</i>
	<b>Fair value</b>
Consideration transferred - Cash	1,469
Less net assets received from the additional interests acquired	(1,191)
<b>Goodwill arising from the acquisition</b>	<b>278</b>
<i>Identifiable assets acquired and liabilities assumed</i>	
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)
<b>Net assets</b>	<b>3,023</b>
Less non-controlling interests	(756)
<b>Total net assets received</b>	<b>2,267</b>
Less interests in CPA previously held	(1,076)
<b>Net assets received from the additional interests acquired</b>	<b>1,191</b>

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### For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

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 period ended 30 September 2021. Details as follows:

	<i>(Unit: Million Baht)</i>
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)
<b>Gain on changes in fair value of investment in an associate</b>	<b>487</b>

As at 30 September 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.

Net consideration paid from acquisition of subsidiary in the statements of cash flows for the nine-month period ended 30 September 2021.

	<i>(Unit: Million Baht)</i>
	<b>Fair value</b>
Consideration transferred - Cash	1,469
Less net cash received from acquisition of subsidiary	(115)
<b>Net</b>	<b>1,354</b>

Operating results of CPA for the period from 2 April 2021 to 30 September 2021 included in the consolidated statement of income for nine-month period ended 30 September 2021 has significant details as follows:

	<i>(Unit: Million Baht)</i>
	For the nine-month period ended 30 September 2021
Revenue from sale of goods	1,956
Loss for the period attributable to equity holders of the Company	(150)

If the acquisition of CPA 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 nine-month period ended 30 September 2021 would have been as follows:

	<i>(Unit: Million Baht)</i>
	For the nine-month period ended 30 September 2021
Revenue from sale of goods	375,395
Profit for the period attributable to equity holders of the Company	6,268

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**4 Related party transactions**

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.

There were no material changes in the pricing policies during the nine-month period ended 30 September 2021.

**4.1 Significant transactions with related parties for the nine-month period ended 30 September**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>(a) Income</b>				
<b>Significant influence entity</b>				
Software application income	1	1	-	-
<b>Subsidiaries</b>				
Dividend income	-	-	5,452	5,260
Sale of goods	-	-	4,343	3,378
Interest income	-	-	783	1,298
Gain on sale of investments	-	-	266	804
Rental, service and other income	-	-	4	4
Gain on sale of fixed assets	-	-	3	-
<b>Associates, joint ventures and related companies</b>				
Sale of goods	33,151	57,964	1,200	1,551
Rental, service and other income	291	194	3	3
Software application income	65	47	-	-
Dividend income	64	78	87	121
Interest income	24	8	-	-
Training and seminar income	5	4	-	-
Gain on sale of fixed assets	4	-	-	-
<b>(b) Expenses and others</b>				
<b>Significant influence entity</b>				
Purchase of raw materials and goods	8,111	7,284	1,823	1,705
Trademark license fees	3,205	2,993	242	234
Technical service fees	74	34	-	-
<b>Subsidiaries</b>				
Purchase of raw materials and goods	-	-	1,372	1,426
Software application fees	-	-	133	110
Interest expenses	-	-	72	196
Cost of right-of-use assets	-	-	54	-
Training and seminar fees	-	-	13	10
Rental and service fees	-	-	2	6
Other expenses	-	-	41	33

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	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
<b>(b) Expenses and others (Continued)</b>				
<b>Associates, joint ventures and related companies</b>				
Purchase of raw materials and goods	36,504	58,391	879	429
Construction costs of buildings, structures and others	1,206	1,894	16	68
Rental and service fees	627	906	51	87
Cost of right-of-use assets	451	539	53	142
Trademark license fees	187	46	-	-
Purchase of equipment and others	186	124	24	15
Software application fees	143	119	-	-
Training and seminar fees	133	492	5	9
Interest expenses	29	11	-	-
Purchase of trademarks	-	349	-	-
Other expenses	1,524	1,297	84	89

**4.2 Balances with related parties as at 30 September 2021 and 31 December 2020 were as follows:**

**4.2.1 Accounts receivable - trade and others**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Significant influence entity	4	1	-	-
Subsidiaries	-	-	699	523
Associates and joint ventures	4,878	4,680	35	37
Related companies	4,521	3,772	1,140	593
<b>Total</b>	<b>9,403</b>	<b>8,453</b>	<b>1,874</b>	<b>1,153</b>

**4.2.2 Short-term loans to related parties**

	<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>		
	<b>Outstanding balance</b>		
	30 September 2021	31 December 2020	Average balance
Subsidiaries	4,575	20,024	16,063
<b>Total</b>	<b>4,575</b>	<b>20,024</b>	<b>16,063</b>

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**4.2.3 Advance payments for purchase of goods**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Associates and joint ventures	51	41	-	-
Related companies	2,351	725	-	-
<b>Total</b>	<b>2,402</b>	<b>766</b>	<b>-</b>	<b>-</b>

**4.2.4 Accrued dividend income**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Associates	173	3,729	-	-
Related company	43	38	-	-
<b>Total</b>	<b>216</b>	<b>3,767</b>	<b>-</b>	<b>-</b>

**4.2.5 Long-term loans to related parties**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		
	Outstanding balance		
	30 September 2021	31 December 2020	Average balance
Associate	49	49	49
<b>Total</b>	<b>49</b>	<b>49</b>	<b>49</b>

  

	<b>Separate financial statements</b>		
	Outstanding balance		
	30 September 2021	31 December 2020	Average balance
Subsidiary	570	570	570
<b>Total</b>	<b>570</b>	<b>570</b>	<b>570</b>

As at 30 September 2021, the loans bear interest at 2.81% to 5.88% per annum (31 December 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.

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**4.2.6 Accounts payable - trade and others**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Significant influence entity	360	1,167	90	71
Subsidiaries	-	-	101	62
Associates and joint ventures	7,048	4,573	6	7
Related companies	4,536	6,146	64	59
<b>Total</b>	<b>11,944</b>	<b>11,886</b>	<b>261</b>	<b>199</b>

**4.2.7 Short-term borrowings from related parties**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		
	Outstanding balance		
	30 September 2021	31 December 2020	Average balance
Joint ventures	836	414	760
Related companies	487	9	278
<b>Total</b>	<b>1,323</b>	<b>423</b>	<b>1,038</b>

*(Unit: Million Baht)*

	<b>Separate financial statements</b>		
	Outstanding balance		
	30 September 2021	31 December 2020	Average balance
Subsidiaries	-	13,251	1,753
<b>Total</b>	<b>-</b>	<b>13,251</b>	<b>1,753</b>

As at 30 September 2021, the borrowings bear interest at 4.02% to 5.07% per annum (31 December 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.



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**4.2.8 Lease liabilities**

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Subsidiary	-	-	62	42
Associates	583	553	-	-
Related companies	2,759	3,048	215	264
<b>Total</b>	<b>3,342</b>	<b>3,601</b>	<b>277</b>	<b>306</b>

**4.3 Key management personnel compensations**

Key management personnel compensations consist of:

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2021	2020	2021	2020
<i>For the nine-month period ended 30 September</i>				
Short-term employee benefits	1,383	1,149	186	157
Post-employment under defined benefit plans	18	19	3	3
<b>Total</b>	<b>1,401</b>	<b>1,168</b>	<b>189</b>	<b>160</b>
<i>As at 30 September</i>				
Provisions for employee benefits	564	681	97	94
<b>Total</b>	<b>564</b>	<b>681</b>	<b>97</b>	<b>94</b>

**4.4 Commitments**

As at 30 September 2021 and 31 December 2020, the Group had commitments with related parties as follows:

**Capital commitments**

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<i>Contracted but not provided for</i> Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	<b>1,720</b>	<b>318</b>	<b>2</b>	<b>2</b>

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### 4.5 Significant agreements

#### *Agreements for the disposition of assets*

During the second quarter of 2021, CPF Trading Co., Ltd., a 99.99% indirectly owned subsidiary of the Company, entered into agreements to dispose certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels with Ek-Chai Distribution System Co., Ltd., which is an indirect associate of the Group, for total consideration of approximately Baht 862 million.

In this regard, fixed assets and tangible assets will be counted and their price will be adjusted based on the value of the assets as of the settlement and ownership transfer date.

As at 30 September 2021, the transaction has not been completed. The Group classified these assets to non-current assets classified as held for sale and liabilities included in disposal groups classified as held for sale in the consolidated statement of financial position.

## 5 Investments in subsidiaries and associates

Significant movements for the nine-month period ended 30 September 2021 were as follows:

	<u>Consolidated</u> <u>financial statements</u>	<i>(Unit: Million Baht)</i> <u>Separate</u> <u>financial statements</u>
<i>Subsidiaries</i>		
Purchase investment in C.P. Aquaculture (India) Private Limited	-	1,041
Increase capital in Homegrown Shrimp (USA) LLC	-	209
Increase capital in CPF Poland S.A.	-	121
Dispose investment in CP Foods Singapore Pte Ltd.	-	(35)
<i>Associate</i>		
Purchase investment in CP ALL Public Company Limited	2,021	-
Dispose investment in CP ALL Public Company Limited	(2,273)	(2,234)

The Group accounts for the investment in ordinary shares of an associate, CP ALL Public Company Limited, which is a listed company in the Stock Exchange of Thailand, in the consolidated interim financial statements by the equity method. As at 30 September 2021, the fair value of this investment was Baht 191,464 million (31 December 2020: Baht 178,476 million).

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### For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Details of the Group's subsidiaries as at 30 September 2021 and 31 December 2020 only those with changes during the nine-month period ended 30 September 2021 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2021	31 December 2020
<b><i>Newly incorporated indirect subsidiary</i></b>				
1) Chia Tai Biopharmaceutical (Fujian) Co., Ltd. <sup>(1)</sup>	Production and sale of drugs	China	35.17	-
2) Chia Tai Food Industry (Suqian) Co., Ltd. <sup>(1)</sup>	Production and sale of processed food, processed meat and ready meals	China	52.25	-
3) RBPI Partner East LLC <sup>(2)</sup>	Slaughterhouse	Russia	75.82	-
4) RBPI Voronezh LLC <sup>(2)</sup>	Investment	Russia	75.82	-
<b><i>Subsidiaries from share acquisition</i></b>				
<b><i>Indirect subsidiary</i></b>				
1) Suansomboon Co., Ltd. <sup>(3)</sup>	Agricultural plant farming	Thailand	99.99	-
2) Consumer Package Commerce Co., Ltd. <sup>(4)</sup>	Importer and distributor of processed meat and ready meals	South Korea	99.99	-
3) CPF Culinar Sp. z o.o. <sup>(5)</sup>	Production of seafood products	Poland	66.67	-
4) Food Port Sp. z o.o. <sup>(5)</sup>	Distributor of seafood products	Poland	66.67	-
<b><i>Direct and indirect subsidiary</i></b>				
1) C.P. Aquaculture (India) Private Limited	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	India	75.00	31.70
<b><i>Subsidiaries with change in interests</i></b>				
<b><i>Indirect subsidiary</i></b>				
1) CP Foods Singapore Pte Ltd. <sup>(4)</sup>	Importer and distributor of processed meat and ready meals	Singapore	99.99	100.00
2) Sheng Da Foods Co., Ltd. <sup>(6)</sup>	Layer chicken business	Republic of China (Taiwan)	14.92	11.93
<b><i>Direct and indirect subsidiary</i></b>				
1) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.25	52.24
<b><i>Indirect subsidiaries that change names</i></b>				
1) Pravdinsk Pig Production Joint Stock Company <sup>(7)</sup> (Formerly known as Pravdinsk Pig Production Closed Joint Stock Company)	Livestock farming	Russia	75.82	75.82

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2021	31 December 2020
<b>Indirect subsidiaries that change names (Continued)</b>				
2) Russia Baltic Pork Invest AS <sup>(7)</sup> (Formerly known as Russia Baltic Pork Invest ASA)	Investment	Norway	75.82	75.82
<b>Liquidated indirect subsidiary</b>				
1) Arden International, LLC <sup>(8)</sup>	Production and distributor of ready meals	United States of America	-	100.00
2) Charoen Pokphand (USA), Inc. <sup>(9)</sup>	Integrated poultry business	United States of America	-	99.97

<sup>(1)</sup> A subsidiary of C.P. Pokphand Co., Ltd.

<sup>(2)</sup> A subsidiary of Russia Baltic Pork Invest AS

<sup>(3)</sup> A subsidiary of CPF (Thailand) Public Company Limited.

<sup>(4)</sup> A subsidiary of C.P. Merchandising Co., Ltd.

<sup>(5)</sup> A subsidiary of CPF Poland S.A.

<sup>(6)</sup> A subsidiary of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

<sup>(7)</sup> A subsidiary of CPF Netherlands B.V.

<sup>(8)</sup> A subsidiary of Bellisio Investment, LLC

<sup>(9)</sup> A subsidiary of CPF Investment Limited

During the nine-month period ended 30 September 2021, the Group did not dispose any investments in subsidiaries.

On 30 September 2021, the Board of Directors of the Company passed a resolution to approve CPF Investment Ltd. (“CPFI”), a wholly-owned subsidiary of the Company, to 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. In this regard, the cash consideration payable for ordinary shares of CPP by CPFI for 6,079,356,827 shares at the cancellation price of HK Dollar 1.15 per share, which is equivalent to the total value of approximately HK Dollar 6,991 million or approximately Baht 30,176 million. The Scheme will only occur after the satisfaction or valid waiver of the conditions precedent as specified in the CPP announcement.

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### 6 Property, plant and equipment

	<b>Consolidated financial statements</b>	<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>
<i>For the nine-month period ended 30 September 2021</i>		
Acquisition - at cost	16,311	188
Acquired through business acquisitions	4,373	-
Disposals - net book value	(553)	(21)
Transfer to asset held for sale - net book value	(679)	-
Transfer from investment properties - net book value	300	-

### 7 Long-term borrowing

For the nine-month period ended 30 September 2021, the Company and a subsidiary issued unsubordinated and unsecured debenture as follows:

Debenture	Interest rates <i>(% per annum)</i>	Term <i>(Year)</i>	Maturity Year	<b>Consolidated</b>	<i>(Unit: Million Baht)</i> <b>Separate</b>
				<b>financial statements</b>	<b>financial statements</b>
<b>Charoen Pokphand Foods Public Company Limited</b>					
1/2021	1.75 - 3.80	2 - 12	2023 - 2033	30,000	30,000
<b>Total</b>				<b>30,000</b>	<b>30,000</b>
<b>CPF (Thailand) Public Company Limited ("CPFTH")</b>					
1/2021	2.50 - 3.70	6 - 12	2027 - 2033	15,000	-
<b>Total</b>				<b>15,000</b>	<b>-</b>
<b>Grand Total</b>				<b>45,000</b>	<b>30,000</b>

The debenture of Company and CPFTH were registered with the Thai Bond Market Association on 22 January 2021 and 23 September 2021, respectively. The debenture of Company and CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 31 March 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 net debt to equity ratio throughout the terms of debentures, etc.

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**8 Treasury shares**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>30</b>	<b>31</b>	<b>30</b>	<b>31</b>
	<b>September</b>	<b>December</b>	<b>September</b>	<b>December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Ordinary shares of the Company</b>	<b>6,088</b>	<b>6,088</b>	<b>6,088</b>	<b>6,088</b>
<b>Ordinary shares of the Company held by subsidiaries</b>				
At 1 January	2,909	2,909	-	-
Addition	1,179	-	-	-
<b>Total</b>	<b>4,088</b>	<b>2,909</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>10,176</b>	<b>8,997</b>	<b>6,088</b>	<b>6,088</b>

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 will repurchase 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.

**9 Segment information and disaggregation of revenue**

*Information about reportable segments*

The Group presents the following main segments:

Segment 1 : Livestock business

Segment 2 : Aquaculture business

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**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

Revenue and results, based on reportable segments financial information of the Group for the nine-month period ended 30 September were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2021	2020
<b><i>Segment revenue</i></b>		
Livestock business	316,111	382,536
Aquaculture business	58,812	57,209
<b>Total</b>	<b>374,923</b>	<b>439,745</b>

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2021	2020
<b><i>Segment results</i></b>		
Livestock business	17,585	36,710
Aquaculture business	1,930	4,865
<b>Total allocated segment results</b>	<b>19,515</b>	<b>41,575</b>
Unallocated segment results	(11,254)	(13,264)
<b>Profit for the period</b>	<b>8,261</b>	<b>28,311</b>

***Information about geographic areas***

Details of the geographic segment financial information of the Group for the nine-month period ended 30 September were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2021	2020
<b><i>Revenue from external customers</i></b>		
Thailand	117,781	112,841
Asia	191,970	270,033
Europe	43,809	38,142
America	20,271	18,042
Others	1,092	687
<b>Total</b>	<b>374,923</b>	<b>439,745</b>

Details of the geographic segment financial information of the Group as at 30 September 2021 and 31 December 2020 were as follow:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	30 September 2021	31 December 2020
<b><i>Property, plant and equipment, right-of-use assets and other intangible assets (exclude goodwill)</i></b>		
Thailand	98,273	101,156
Asia	130,371	109,758
Europe	22,568	16,892
America	19,823	17,848
<b>Total</b>	<b>271,035</b>	<b>245,654</b>

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**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

*Disaggregation of revenue*

Details of revenue disaggregated by categories of main products for the nine-month period ended 30 September were as follows:

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>					
	Reportable segments					
	Aquaculture business		Livestock business		Total	
	2021	2020	2021	2020	2021	2020
<b>Categories of main products</b>						
Animal feed	32,500	34,036	62,391	132,982	94,891	167,018
Animal farm products	20,807	18,180	181,572	185,006	202,379	203,186
Processed foods and ready meals	5,505	4,993	72,148	64,548	77,653	69,541
<b>Total</b>	<b>58,812</b>	<b>57,209</b>	<b>316,111</b>	<b>382,536</b>	<b>374,923</b>	<b>439,745</b>

*(Unit: Million Baht)*

	<b>Separate financial statements</b>	
	Reportable segment	
	Aquaculture business	
	2021	2020
<b>Categories of main products</b>		
Animal feed	10,606	9,506
Animal farm products	8,249	8,001
Processed foods and ready meals	1,959	1,765
<b>Total</b>	<b>20,814</b>	<b>19,272</b>

*Contract Balances*

As at 30 September 2021, the Group and the Company had contract liabilities of Baht 2,523 million and Baht 86 million, respectively (*31 December 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 and the Company recognise such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts “other current liabilities” in the consolidated and separate statement of financial position as at 30 September 2021.



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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

**10 Losses (gains) on changes in fair value of biological assets**

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>			
	For the three-month period ended 30 September 2021		For the nine-month period ended 30 September 2021	
Losses (gains) on changes in fair value of biological assets	<b>3,262</b>	<b>(320)</b>	<b>3,861</b>	<b>479</b>

During the third quarter of 2021, the COVID-19 outbreak situations became more widely affected in Thailand and many countries where the Group located; hence, representing as one of the factors to the reduction in meat consumption. As a result, the market price of meat continued to decline, especially the price of swine in Vietnam and Thailand.

**11 Earnings per share**

The calculations of earnings per share for the three-month and nine-month periods ended 30 September were based on the profit for the periods attributable to ordinary shareholders of the Company less cumulative interest expense for the period net of income tax on subordinated perpetual debentures and the weighted average number of ordinary shares held by third parties outstanding during the three-month and nine-month periods ended as follows:

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**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

*For the three-month period ended 30 September*

*(Unit: Million Baht/Million shares)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>(5,374)</b>	<b>7,475</b>	<b>(1,032)</b>	<b>(1,131)</b>
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(151)</i>	<i>(152)</i>	<i>(151)</i>	<i>(152)</i>
<b>Profit (loss) used in calculation of earnings per share (basic)</b>	<b>(5,525)</b>	<b>7,323</b>	<b>(1,183)</b>	<b>(1,283)</b>
<i>Interest expense on convertible bonds, net of tax</i>	<i>- <sup>(1)</sup></i>	<i>60</i>	<i>-</i>	<i>-</i>
<b>Profit (loss) used in calculation of earnings per share (diluted)</b>	<b>(5,525)</b>	<b>7,383</b>	<b>(1,183)</b>	<b>(1,283)</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
<i>Number of ordinary shares outstanding at beginning of period</i>	<i>8,611</i>	<i>8,611</i>	<i>8,611</i>	<i>8,611</i>
<i>Treasury shares held by subsidiaries</i>	<i>(449)</i>	<i>(426)</i>	<i>-</i>	<i>-</i>
<i>Effect of own shares held</i>	<i>(198)</i>	<i>(109)</i>	<i>(198)</i>	<i>(109)</i>
<b>Number of ordinary shares outstanding (basic) at the end of period</b>	<b>7,964</b>	<b>8,076</b>	<b>8,413</b>	<b>8,502</b>
<i>Effect of conversion of convertible bonds</i>	<i>- <sup>(1)</sup></i>	<i>234</i>	<i>234</i>	<i>234</i>
<b>Number of ordinary shares outstanding (diluted) at the end of period</b>	<b>7,964</b>	<b>8,310</b>	<b>8,647</b>	<b>8,736</b>
<b>Basic earnings (loss) per share (in Baht)</b>	<b>(0.69)</b>	<b>0.91</b>	<b>(0.14)</b>	<b>(0.15)</b>
<b>Diluted earnings (loss) per share (in Baht)</b>	<b>(0.69)</b>	<b>0.89</b>	<b>(0.14)</b>	<b>(0.15)</b>

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

*For the nine-month period ended 30 September*

*(Unit: Million Baht/Million shares)*

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Profit for the period attributable to ordinary shareholders of the Company</b>	<b>6,308</b>	<b>19,614</b>	<b>3,266</b>	<b>3,806</b>
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(448)</i>	<i>(451)</i>	<i>(448)</i>	<i>(451)</i>
<b>Profit used in calculation of earnings per share (basic)</b>	<b>5,860</b>	<b>19,163</b>	<b>2,818</b>	<b>3,355</b>
Interest expense on convertible bonds, net of tax	- <sup>(1)</sup>	71	-	-
<b>Profit used in calculation of earnings per share (diluted)</b>	<b>5,860</b>	<b>19,234</b>	<b>2,818</b>	<b>3,355</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
Number of ordinary shares outstanding at beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(433)	(426)	-	-
Effect of own shares held	(198)	(41)	(198)	(41)
<b>Number of ordinary shares outstanding (basic) at the end of period</b>	<b>7,980</b>	<b>8,144</b>	<b>8,413</b>	<b>8,570</b>
Effect of conversion of convertible bonds	- <sup>(1)</sup>	89	234	89
<b>Number of ordinary shares outstanding (diluted) at the end of period</b>	<b>7,980</b>	<b>8,233</b>	<b>8,647</b>	<b>8,659</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.73</b>	<b>2.35</b>	<b>0.33</b>	<b>0.39</b>
<b>Diluted earnings per share (in Baht)</b>	<b>0.73</b>	<b>2.34</b>	<b>0.33</b>	<b>0.39</b>

<sup>(1)</sup> Excluded from the calculation as the adjustment of the effect of convertible bonds does not decrease the earnings per share or increase the loss per share.

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

**12 Dividends**

Details of dividends for the nine-month period ended 30 September were as follows:

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
<b>2021</b>				
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
<b>Total</b>			<b>8,414</b>	
<b>2020</b>				
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
<b>Total</b>			<b>6,844</b>	

**13 Financial Instruments**

*Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

(Unit: Million Baht)

	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>As at 30 September 2021</i>								
<b>Financial assets</b>								
Investment in equity securities								
- Marketable equity securities	-	2,790	-	2,790	2,790	-	-	2,790
- Non-marketable equity securities	-	9,631	-	9,631	-	-	9,631	9,631
Other financial assets								
- Derivative assets	1,603	-	-	1,603	-	1,603	-	1,603
<b>Total financial assets</b>	<b>1,603</b>	<b>12,421</b>	<b>-</b>	<b>14,024</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	201,790	201,790	-	210,557	-	210,557
- Convertible bonds	-	-	9,385	9,385	-	9,589	-	9,589
- Long-term borrowings from financial institutions	-	-	118,522	118,522	-	114,919	-	114,919
Other financial liabilities								
- Derivative liabilities	1,420	-	-	1,420	-	1,420	-	1,420
<b>Total financial liabilities</b>	<b>1,420</b>	<b>-</b>	<b>329,697</b>	<b>331,117</b>				

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**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

(Unit: Million Baht)

	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>As at 31 December 2020</i>								
<b>Financial assets</b>								
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 current financial assets								
- Derivative assets	155	-	-	155	-	155	-	155
<b>Total financial assets</b>	<b>155</b>	<b>11,421</b>	<b>-</b>	<b>11,576</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	177,240	177,240	-	185,646	-	185,646
- Exchangeable bonds	-	-	2,885	2,885	-	2,827	-	2,827
- Convertible bonds	-	-	8,228	8,228	-	8,252	-	8,252
- Long-term borrowings from financial institutions	-	-	92,870	92,870	-	92,966	-	92,966
Other financial liabilities								
- Derivative liabilities	2,190	-	-	2,190	-	2,190	-	2,190
<b>Total financial liabilities</b>	<b>2,190</b>	<b>-</b>	<b>281,223</b>	<b>283,413</b>				

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

(Unit: Million Baht)

	Separate financial statements							
	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>As at 30 September 2021</i>								
<b>Financial assets</b>								
Investment in equity securities								
- Non-marketable equity securities	-	773	-	773	-	-	773	773
Other non-current financial assets								
- Derivative assets	179	-	-	179	-	179	-	179
<b>Total financial assets</b>	<b>179</b>	<b>773</b>	<b>-</b>	<b>952</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	122,740	122,740	-	128,930	-	128,930
- Long-term borrowings from financial institutions	-	-	3,207	3,207	-	3,248	-	3,248
Other current financial liabilities								
- Derivative liabilities	150	-	-	150	-	150	-	150
<b>Total financial liabilities</b>	<b>150</b>	<b>-</b>	<b>125,947</b>	<b>126,097</b>				

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

*(Unit: Million Baht)*

	Separate financial statements							
	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>As at 31 December 2020</i>								
<b>Financial assets</b>								
Investment in equity securities								
- Non-marketable equity securities	-	663	-	663	-	-	663	663
Other current financial assets								
- Derivative assets	11	-	-	11	-	11	-	11
<b>Total financial assets</b>	<b>11</b>	<b>663</b>	<b>-</b>	<b>674</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	101,240	101,240	-	107,305	-	107,305
- Long-term borrowings from financial institutions	-	-	2,858	2,858	-	3,041	-	3,041
Other financial liabilities								
- Derivative liabilities	309	-	-	309	-	309	-	309
<b>Total financial liabilities</b>	<b>309</b>	<b>-</b>	<b>104,098</b>	<b>104,407</b>				



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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

**Financial instruments measured at Level 2 fair values**

<u>Type</u>	<u>Valuation technique</u>
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk excluding own credit risk and other risks to reflect true economic value.
Debentures	Determined based on quoted prices in the debenture markets traded in Thailand and overseas 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**

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Non-marketable equity securities	<i>Market comparison technique:</i> The valuation model is based on multiples derived from market information comparable to the investee. The estimate is adjusted for the effect of the non-marketability of the equity securities.	Adjusted multiple (0.8 - 2.0 for 30 September 2021 and 1.0 - 1.6 for 31 December 2020).	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

*Expected credit losses*

(Unit: Million Baht)

	<b>Consolidated financial statements</b>			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Within credit terms	27,143	24,172	383	318
Overdue 1 - 60 days	5,266	4,282	112	12
Overdue 60 - 120 days	1,549	666	24	17
More than 120 days	2,352	1,842	625	663
<b>Total</b>	<b>36,310</b>	<b>30,962</b>	<b>1,144</b>	<b>1,010</b>
Less allowance for expected credit losses	(1,144)	(1,010)		
<b>Net</b>	<b>35,166</b>	<b>29,952</b>		

(Unit: Million Baht)

	<b>Separate financial statements</b>			
	Accounts receivable - trade and others		Allowance for expected credit losses	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Within credit terms	1,928	1,553	-	-
Overdue 1 - 60 days	499	386	1	-
Overdue 60 - 120 days	346	124	-	-
More than 120 days	538	598	15	77
<b>Total</b>	<b>3,311</b>	<b>2,661</b>	<b>16</b>	<b>77</b>
Less allowance for expected credit losses	(16)	(77)		
<b>Net</b>	<b>3,295</b>	<b>2,584</b>		

**14 Commitments with non-related parties**

The Group had commitments with non-related parties as at 30 September 2021 and 31 December 2020 as follows:

**14.1 Capital commitments**

(Unit: Million Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<i>Contracted but not provided for</i>				
Land, buildings and constructions	2,764	3,112	-	-
Machinery, equipment and others	4,609	2,485	245	275
<b>Total</b>	<b>7,373</b>	<b>5,597</b>	<b>245</b>	<b>275</b>

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

## **Notes to the interim financial statements**

### **For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

#### **14.2 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 30 September 2021 totalling Baht 15 million (*31 December 2020: Baht 18 million*).

#### **14.3 Letters of credit**

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,274 million (*31 December 2020: Baht 2,051 million*).

#### **14.4 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 953 million, respectively (*31 December 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 had commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 331 million (*31 December 2020: Baht 305 million*).

#### **14.5 Sponsor Undertaking**

The Company has provided sponsor undertaking for the Exchangeable bond which was issued by a subsidiary, as disclosed in the annual financial statement.

### **15 Guarantees**

As at 30 September 2021, certain foreign subsidiaries had secured borrowings from financial institutions which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 11,296 million (*31 December 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 4,813 million (*31 December 2020: Baht 6,339 million*), ordinary shares of a foreign subsidiary of Baht 6,274 million (*31 December 2020: Baht 4,548 million*).

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

### 16 Others

On 26 August 2021, RBPI Voronezh LLC (the “Purchaser”), a 75.82% indirectly owned subsidiary of the Company, entered into Share Purchase Agreement (the “Agreement”) with Tönnies Russland Agrar GmbH, RKS Agrarbeteiligungs GmbH and Tönnies Holding ApS & Co. KG (together referred as the “Sellers”). According to the Agreement, the Purchaser will acquire swine business in Russia at a consideration of approximately Russian Ruble 22,000 million or approximately Baht 9,900 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.

Upon the completion of the transaction, the Target Company will become indirect subsidiaries of the Company, and the transaction is expected to be completed within January 2022, subject to fulfillment of the conditions precedent specified in the Agreement.

### 17 Supplementary disclosure

During the fourth quarter of 2020, Chia Tai Investment Co., Ltd. (“CTI”) changed its status from a subsidiary of the Group to an associate, as disclosed in the annual financial statement.

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 three-month and nine-month periods ended 30 September were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Consolidated</b>	
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	2021	2020
		(Unreviewed)		(Unreviewed)
Revenue from sales of goods	125,939	121,459	374,923	344,453
Other income	3,602	807	6,400	4,099
<b>Total income</b>	<b>129,541</b>	<b>122,266</b>	<b>381,323</b>	<b>348,552</b>
Cost of sale of goods	114,839	96,516	318,795	277,489
Distribution and administration expenses	13,127	12,174	37,109	33,539
Finance cost	4,155	3,989	12,224	11,760
Losses (gains) on changes in fair value of biological assets	3,262	(321)	3,861	479
Other expense	-	195	-	459
<b>Total expense</b>	<b>135,383</b>	<b>112,553</b>	<b>371,989</b>	<b>323,726</b>
<b>Profit (loss) before share of profit of associates and joint ventures and income tax expense</b>	<b>(5,842)</b>	<b>9,713</b>	<b>9,334</b>	<b>24,826</b>

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

## **Notes to the interim financial statements**

### **For the three-month and nine-month periods ended 30 September 2021 (Unaudited)**

#### **18 Event after the reporting period**

On 31 August 2021, the Board of Directors of the Company passed the resolution to enter into the significant transactions as the followings:

1. The entire business transfer (“EBT”) of C.P. Retail Holding Company Limited (“CPRH”), a 20.00% indirectly owned associate of a subsidiary (C.P. Merchandising Company Limited (“CPM”)), to Siam Makro Public Company Limited (“Makro”) with the total value of Baht 43,590 million. In this regard, Makro will issue up to 5,010,323,500 new shares with a par value of Baht 0.50 each at the offering price of Baht 43.50 per share as the consideration for the EBT.

Upon the completion of the EBT, CPRH will transfer all assets of CPRH, including shares in Makro, to CPRH’s shareholders in proportion to their respective shareholding, which CPM will receive 1,002,064,700 shares of Makro.

2. CPM to make a mandatory tender offer for all securities in Makro at the price of Baht 43.50 per share. CPM will purchase ordinary shares in Makro in the proportion of one-third of the shares accepted in such mandatory tender offer for all securities in Makro. The maximum number of shares that CPM will have to purchase in this mandatory tender offer will not be more than 110,699,500 shares, which equivalent to the total value of not more than Baht 4,815 million.
3. CPM to offer ordinary shares in Makro (which CPM will receive from the return of investment to CPRH’s Shareholders) to the public (Public offering or “PO”) up to 181,600,000 shares with a par value of Baht 0.50 each, representing up to 1.85% of the total issued and outstanding ordinary shares in Makro after the completion of the EBT and representing up to 1.63% of total issued and outstanding ordinary shares in Makro after the completion of the PO of Makro.

In this regard, the EBT of CPRH had been completed on 25 October 2021, whereby CPRH transferred 1,002,064,700 new ordinary shares of Makro to CPM. As a result, CPM directly holds 10.21% interest in Makro.