



Monthly Newsletter

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CPF wins “Best CFO in Thailand 2020” Award from Alpha Southeast Asia Magazine

Bangkok Post, September 3, 2020



Mr. Paisan Chirakitcharern, chief finance officer of Charoen Pokphand Foods PLC (CPF), is named “Best CFO in Thailand 2020” at the Alpha Southeast Asia Magazine’s 10th Annual Institutional Investor Awards for Corporates.

“I’m delighted, not for myself but the organization. I just represented the organization when I was on the stage and to receive this prestigious award, which reflects support from all CPF people around the world,” Mr. Paisan said in an interview.

In the interview, he said as a CFO, he sees financial and human resource preparations are the heart of successful financial administration and business operation. A company can achieve nothing with just human resources without money. Likewise, a company cannot grow if having just money without the right human resources. In this regard, all members of the Board of Directors and the Executive Board deserve the credits for their emphasis on both finances and human resources, which has contributed to continuous corporate growth. In times of crisis, CPF shows all how ready it is in terms of finances and human resources.

“We need to know the business we are in and its key success factors. The finance department’s duty is to provide funding to help the organization reach the targeted goal. Meanwhile, as operational details change on a daily basis, we must stand ready for changes and dare to change. And that is one of the corporate values, CPF Way, and the first priority of my task.

“Working with new generations, we must be their role model and understand them. Young people today perceive things differently from people in my age. People in my age find it very difficult to quit as they fret about criticisms. But young people are ready to change jobs. We must realize the difference and there must be a stage where they can show their capabilities. This is the most important.”

Based on the poll, CPF won 4 more awards: Best Senior Management IR Support, Strongest Adherence to Corporate Governance, Most Consistent Dividend Policy and Best Strategic CSR.



CPF board approves share-swap deal for Chinese subsidiary's acquisition plan

The nation ,September 15, 2020

The board of Directors of Charoen Pokphand Foods Plc (CPF) last Friday agreed to seek shareholders' approval for its subsidiary in China to acquire 43 companies in the swine business through the issue of new shares as payment to the seller.

The move aims to integrate the business as one of the leading swine producers in China, which is the world's largest pig market worth US\$200 billion with an average annual growth of 8.3 per cent during the 10 years from 2010 to 2019 (according to China's National Statistical Office).

Chia Tai Investment Co Ltd (CTI), whose main business is feed manufacturing and distribution in China, is an indirect subsidiary of CPF via CP Pokphand Co Ltd (CPP), a company listed on the Hong Kong Stock Exchange.

The proposal will facilitate the integration of its feed production in China with the swine business, which is now managed by Chia Tai Animal Husbandry Investment (Beijing) Co Ltd, a subsidiary of Charoen Pokphand Group.

The proposed deal aims to acquire 43 companies of Chia Tai Animal Husbandry Investment (Beijing) worth 28.14 billion renminbi (Bt 131.287 billion). CTI will issue new shares as payment to the seller without incurring any financial burden.

Entering into this business will create business opportunities for CTI by penetrating more swine business markets with high growth potential like China, the company said. It is also a vertical integration of CTI to achieve an integrated swine business operation covering feed, farm and slaughter, throughout processing.

The company said this strategy would encourage efficiency to deal with market changes as well as combine expertise in its value chain.

The share-swap deal is expected to allow CTI to gain higher profits from swine business expansion thanks to the lucrative pork price. The company said the deal would also help higher efficiency cost and business management to benefit its investment in the long run.

Since this merger is a connected transaction, the acquisition requires approval from small shareholders. CPF will hold the first extraordinary shareholders' meeting on October 27.

CP Foods' US-farmed shrimp will need to establish 'premium' niche

Undercurrent News September



With renewed interest in domestic production as a result of the pandemic, the entrance of Charoen Pokphand Foods (CP Foods) into the US with a land-based facility in Florida -- announced last September -- would appear to be well-timed.

However, as Robin McIntosh senior vice president with CP Foods told Undercurrent that CP Foods told Undercurrent News on its "Global Shrimp Market Outlook" webinar, this domestically-produced shrimp will never be able to compete with Asian import on price

"It's got to be separate," he said. "I don't think, given all of the intricacies of working in the United States you're going to be able to compete on price in the near future, and maybe even outside of the near future"

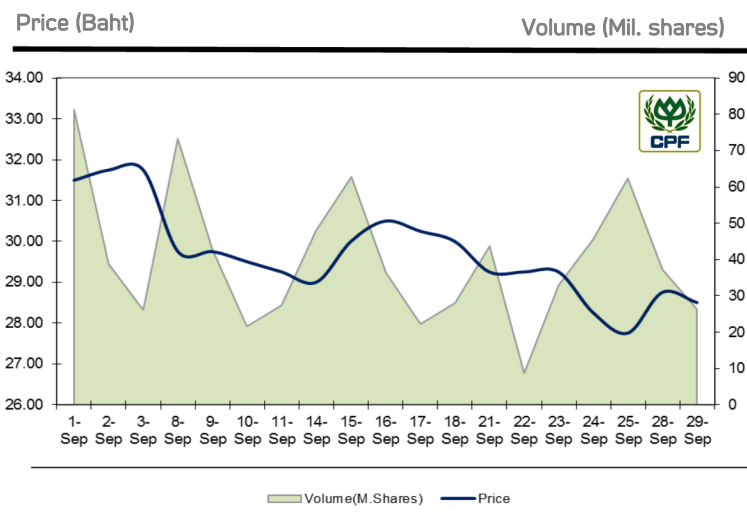
Even in the semi-tropical areas of the US, he noted, temperatures can be highly seasonal, meaning any shrimp farm will have to be contained indoors, along with the necessary expensive insulation. "And then you're having to create very intensive system." He continued. "Today there's no super-intensive systems that don't get chronic mortality and die-off ng to create a system that will handle that. But it would have to be super intensive to cover the cost of the building to make it economical."

Compared to intensive poultry farming, where it's possible to produce one kilo per square meter per day within the building, with shrimp the best that can be achieved is 200 grams."But the building cost is the same. So it's the building and then the intensification and a lot of other technologies that still need to be refined," He said

Nevertheless, McIntosh is hopeful that by cutting the time it takes to get vannamei to market from days to just 50 days, improving feed conversion ratios and reducing mortalities, CP Foods will be able to significantly slash the cost of production.

"I think we can put a shrimp into the market at much lower prices than US-grown shrimp are being put there now \$40 a kilo - so I'm hoping we can make a profit at maybe \$15-\$16 a kilo, " He told undercurrent. " But that's not like the \$5 a kilo that we would produce in Southeast Asia.

Price Performances: CPF



September 2020	
Highest Price	32.50
Lowest Price	27.25
Closed Price	28.00
Average Volume/Day (Shares)	38,288,300

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