

**CHAROEN POKPHAND ENTERPRISE
(TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2021 AND 2020**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

Introduction

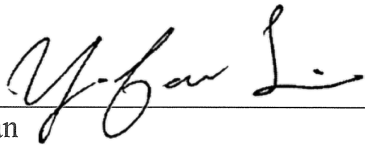
We have reviewed the accompanying consolidated balance sheets of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and subsidiaries (the “Group”) as at March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.



Lin, Yi-Fan



Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

May 11, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

ASSETS	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 268,758	1	\$ 247,679	1	\$ 1,108,402	6
1150	Notes receivable, net	6(3)	274,475	1	280,767	2	317,786	2
1160	Notes receivable - related parties	7	3,008	-	-	-	-	-
1170	Accounts receivable, net	6(3)	1,959,303	10	1,903,391	10	1,795,340	10
1180	Accounts receivable - related parties	7	55,663	-	-	-	-	-
1200	Other receivables		4,810	-	13,495	-	14,509	-
1210	Other receivables - related parties	7	21	-	-	-	-	-
130X	Inventories, net	6(4)	1,698,194	8	1,316,392	7	1,349,742	7
1400	Biological assets - current	6(5)	1,520,806	8	1,434,043	7	1,357,561	8
1410	Prepayments	7	271,256	1	444,931	2	425,349	2
1470	Other current assets	6(1) and 8	22,291	-	47,934	-	8,200	-
11XX	Total current assets		<u>6,078,585</u>	<u>29</u>	<u>5,688,632</u>	<u>29</u>	<u>6,376,889</u>	<u>35</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	2,060,906	10	1,925,872	10	1,727,226	10
1550	Investments accounted for using equity method	6(7)	100,045	1	99,880	-	-	-
1600	Property, plant and equipment, net	6(8) and 8	11,399,598	55	10,896,118	56	9,158,924	50
1755	Right-of-use assets	6(9)	351,522	2	345,915	2	341,187	2
1780	Intangible assets	6(10)	122	-	174	-	498	-
1830	Biological assets - non-current	6(5)	418,664	2	399,112	2	388,295	2
1840	Deferred income tax assets		95,330	-	82,496	-	76,144	-
1900	Other non-current assets		125,835	1	108,150	1	90,376	1
15XX	Total non-current assets		<u>14,552,022</u>	<u>71</u>	<u>13,857,717</u>	<u>71</u>	<u>11,782,650</u>	<u>65</u>
1XXX	Total assets		<u>\$ 20,630,607</u>	<u>100</u>	<u>\$ 19,546,349</u>	<u>100</u>	<u>\$ 18,159,539</u>	<u>100</u>

(Continued)

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

	Notes	March 31, 2021		December 31, 2020		March 31, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
LIABILITIES AND EQUITY								
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 3,393,007	17	\$ 2,659,715	14	\$ 3,427,064	19
2110	Short-term notes and bills payable	6(12)	769,048	4	599,426	3	978,912	5
2150	Notes payable		379,844	2	600,078	3	451,508	3
2160	Notes payable - related parties	7	6,216	-	-	-	-	-
2170	Accounts payable		803,290	4	746,284	4	676,687	4
2180	Accounts payable - related parties	7	27,093	-	1,273	-	115	-
2200	Other payables	6(13)	495,184	2	738,247	4	508,172	3
2220	Other payables - related parties	7	31,746	-	7,348	-	43,726	-
2230	Current income tax liabilities		358,119	2	249,670	1	215,985	1
2280	Current lease liabilities		28,004	-	24,816	-	22,328	-
2300	Other current liabilities	6(14) and 8	613,250	3	213,250	1	593,250	3
21XX	Total current liabilities		<u>6,904,801</u>	<u>34</u>	<u>5,840,107</u>	<u>30</u>	<u>6,917,747</u>	<u>38</u>
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	3,973,337	19	4,515,250	23	2,288,187	12
2570	Deferred income tax liabilities		17,594	-	19,351	-	34,700	-
2580	Non-current lease liabilities		300,556	1	296,281	1	305,542	2
2600	Other non-current liabilities	6(15)	136,989	1	141,874	1	139,810	1
25XX	Total non-current liabilities		<u>4,428,476</u>	<u>21</u>	<u>4,972,756</u>	<u>25</u>	<u>2,768,239</u>	<u>15</u>
2XXX	Total liabilities		<u>11,333,277</u>	<u>55</u>	<u>10,812,863</u>	<u>55</u>	<u>9,685,986</u>	<u>53</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(16)	2,679,910	13	2,679,910	14	2,679,910	15
Capital surplus								
3200	Capital surplus	6(17)	3,949	-	3,957	-	2,152	-
Retained earnings								
3310	Legal reserve	6(18)	880,252	4	880,252	5	733,781	4
3350	Unappropriated retained earnings		3,719,906	18	3,332,669	17	3,141,566	17
Other equity interest								
3400	Other equity interest		1,544,270	8	1,408,198	7	1,225,915	7
31XX	Equity attributable to owners of the parent		<u>8,828,287</u>	<u>43</u>	<u>8,304,986</u>	<u>43</u>	<u>7,783,324</u>	<u>43</u>
36XX	Non-controlling interest		469,043	2	428,500	2	690,229	4
3XXX	Total equity		<u>9,297,330</u>	<u>45</u>	<u>8,733,486</u>	<u>45</u>	<u>8,473,553</u>	<u>47</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		<u>\$ 20,630,607</u>	<u>100</u>	<u>\$ 19,546,349</u>	<u>100</u>	<u>\$ 18,159,539</u>	<u>100</u>

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

Items	Notes	For the three-month periods ended March 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 5,718,985	100	\$ 5,241,193	100
5000	Operating costs	6(4)(25)(26) and 7	(4,814,259)	(84)	(4,623,061)	(88)
5950	Net operating margin		904,726	16	618,132	12
	Operating expenses	6(25)(26) and 7				
6100	Selling and marketing expenses		(245,624)	(5)	(240,341)	(5)
6200	General and administrative expenses		(182,898)	(3)	(150,346)	(3)
6450	Expected credit impairment profit	12(2)	-	-	19	-
6000	Total operating expenses		(428,522)	(8)	(390,668)	(8)
6500	Other income and expenses, net	6(5)(20)	(7,614)	-	(4,432)	-
6900	Operating profit		468,590	8	223,032	4
	Non-operating income and expenses					
7100	Interest income	6(21)	28	-	537	-
7010	Other income	6(22) and 7	2,263	-	2,538	-
7020	Other gains and losses	6(23) and 7	15,725	-	84,572	2
7050	Finance costs	6(24)	(17,750)	-	(22,087)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	165	-	-	-
7000	Total non-operating income and expenses		431	-	65,560	1
7900	Profit before income tax		469,021	8	288,592	5
7950	Income tax expense	6(27)	(90,241)	(1)	(57,419)	(1)
8000	Profit for the period from continuing operations		378,780	7	231,173	4
8100	Loss from discontinued operations	6(6)	-	-	(2,250)	-
8200	Profit for the period		\$ 378,780	7	\$ 228,923	4

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

Items	Notes	For the three-month periods ended March 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gain or loss on financial assets at fair value through other comprehensive income	6(2)			
			\$ 113,905	2	(\$ 425,576) (8)
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		113,905	2	(425,576) (8)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences of foreign operations		22,167	-	51,911 1
8360	Other comprehensive income that will be reclassified to profit or loss		22,167	-	51,911 1
8300	Total other comprehensive income (loss) for the period		\$ 136,072	2	(\$ 373,665) (7)
8500	Total comprehensive income (loss) for the period		\$ 514,852	9	(\$ 144,742) (3)
Profit (loss) attributable to:					
8610	Owners of the parent		\$ 387,237	7	\$ 234,347 4
8620	Non-controlling interest		(8,457)	-	(5,424) -
			\$ 378,780	7	\$ 228,923 4
Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 523,309	9	(\$ 139,023) (3)
8720	Non-controlling interest		(8,457)	-	(5,719) -
			\$ 514,852	9	(\$ 144,742) (3)
Earnings per share (in dollars) 6(28)					
9710	Basic earnings per share from continuing operations		\$ 1.45	\$ 0.88	
9720	Basic earnings (losses) per share from discontinued operations		-	(0.01)	
9750	Total basic earnings per share		\$ 1.45	\$ 0.87	
9810	Diluted earnings per share from continuing operations		\$ 1.44	\$ 0.88	
9820	Diluted earnings (losses) per share from discontinued operations		-	(0.01)	
9850	Total diluted earnings per share		\$ 1.44	\$ 0.87	

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

Notes	Equity attributable to owners of the parent								Non-controlling interest	Total equity
	Share capital - common stock	Capital surplus	Retained Earnings			Other equity interest		Total		
			Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
<u>For the three-month period ended March 31, 2020</u>										
Balance at January 1, 2020	\$2,679,910	\$ 2,137	\$ 733,781	\$ 2,907,219	(\$ 17,432)	\$1,616,717	\$7,922,332	\$ 704,662	\$8,626,994	
Profit for the period	-	-	-	234,347	-	-	234,347	(5,424)	228,923	
Other comprehensive income(loss)	-	-	-	-	52,206	(425,576)	(373,370)	(295)	(373,665)	
Total comprehensive income(loss)	-	-	-	234,347	52,206	(425,576)	(139,023)	(5,719)	(144,742)	
Capital surplus - dividends not received by shareholders (reversed)	-	(5)	-	-	-	-	(5)	-	(5)	
Cash dividends to non-controlling interest	-	-	-	-	-	-	-	(14,784)	(14,784)	
Share of changes in capital surplus of associates and joint ventures accounted for using equity method	-	20	-	-	-	-	20	(20)	-	
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	69,000	69,000	
Changes in non-controlling interests	-	-	-	-	-	-	-	(62,910)	(62,910)	
Balance at March 31, 2020	\$2,679,910	\$ 2,152	\$ 733,781	\$ 3,141,566	\$ 34,774	\$1,191,141	\$7,783,324	\$ 690,229	\$8,473,553	
<u>For the three-month period ended March 31, 2021</u>										
Balance at January 1, 2021	\$2,679,910	\$ 3,957	\$ 880,252	\$ 3,332,669	(\$ 132,921)	\$1,541,119	\$8,304,986	\$ 428,500	\$8,733,486	
Profit for the period	-	-	-	387,237	-	-	387,237	(8,457)	378,780	
Other comprehensive income	-	-	-	-	22,167	113,905	136,072	-	136,072	
Total comprehensive income (loss)	-	-	-	387,237	22,167	113,905	523,309	(8,457)	514,852	
Capital surplus - dividends not received by shareholders (reversed)	-	(8)	-	-	-	-	(8)	-	(8)	
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash	-	-	-	-	-	-	-	49,000	49,000	
Balance at March 31, 2021	\$2,679,910	\$ 3,949	\$ 880,252	\$ 3,719,906	(\$ 110,754)	\$1,655,024	\$8,828,287	\$ 469,043	\$9,297,330	

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the three-month periods ended March 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		\$ 469,021	\$ 288,592
Loss from discontinued operations before tax		-	(3,000)
Profit before tax		469,021	285,592
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment profit	12(2)	-	(19)
Depreciation	6(8)(25)	180,384	167,027
Depreciation of right-of-use assets	6(9)(25)	11,389	10,404
Amortization	6(25)	1,016	1,130
Interest income	6(21)	(28)	(794)
Interest expense	6(24)	17,750	22,087
(Gain on reversal of) Provision for loss on inventory market price decline	6(4)	3,656	(21,690)
Change in fair value less cost to sell of biological assets	6(5)(20)	7,614	4,432
Investment income recognised under equity method	6(7)	(165)	-
Loss (gain) on disposal of property, plant and equipment	6(23)	1,285	(2,207)
Gain arising from lease modifications		-	(2)
Impairment loss of non-financial assets	6(10)(23)	-	13,331
Gain on disposal of investment	6(6)(23)	-	(84,145)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		6,292	(1,586)
Notes receivable - related parties		(3,008)	-
Accounts receivable		(55,912)	27,298
Accounts receivable - related parties		(55,663)	(11,913)
Other receivables		8,685	(11,672)
Other receivables - related parties		(21)	(2,813)
Inventories		(385,458)	181,635
Biological assets		(113,929)	(67,201)
Prepayments		173,429	(105,964)
Changes in operating liabilities			
Notes payable		(220,234)	(22,404)
Notes payable - related parties		6,216	-
Accounts payable		57,006	25,215
Accounts payable - related parties		25,820	(60,066)
Other payables		(190,469)	(139,084)
Other payables - related parties		24,398	20,976
Net defined benefit liability		(4,885)	(4,907)
Cash (outflow) inflow generated from operations		(35,811)	222,660
Refund of income tax		3,617	-
Net cash flows (used in) from operating activities		(32,194)	222,660

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the three-month periods ended March 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in other current assets		\$ 25,643	(\$ 500)
Acquisition of property, plant and equipment	6(29)	(739,213)	(587,734)
Proceeds from disposal of property, plant and equipment		1,224	2,900
Acquisition of intangible assets	6(10)	-	(83)
(Increase) decrease in other non-current assets		(18,649)	5,349
Cash receipt of interest		28	930
Loss of control in subsidiaries		-	(257,374)
Proceeds from disposal of subsidiaries	6(6)	-	246,654
Net cash flows used in investing activities		(730,967)	(589,858)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		733,292	1,083,576
Increase in short-term notes and bills payable		169,622	253
Proceeds from long-term borrowings		701,400	425,000
Payment of long-term borrowings		(843,313)	(1,233,313)
Payment of lease liabilities	6(9)	(9,533)	(8,952)
Cash payment for interest		(17,258)	(21,061)
Cash receipt from non-controlling interest of a subsidiary through capital increase establishment		49,000	69,000
Cash dividends paid to non-controlling interest		-	(14,784)
Capital surplus - dividends not received by shareholders (reversed)		(8)	(5)
Net cash flows from financing activities		783,202	299,714
Effects of changes in foreign exchange rate		1,038	3,137
Net increase (decrease) in cash and cash equivalents		21,079	(64,347)
Cash and cash equivalents at beginning of period	6(1)	247,679	1,172,749
Cash and cash equivalents at end of period	6(1)	\$ 268,758	\$ 1,108,402

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

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
 (UNAUDITED)

1. HISTORY AND ORGANISATION

Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (the “Company”) was incorporated on August 22, 1977 as a company limited by shares under the Statute for Investment by Overseas Chinese and the provisions of the Company Act of the Republic of China. The main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are the manufacture and sale of animal feeds, livestock, chicken and processed meat products. The Company’s common stock has been traded on the Taiwan Stock Exchange since July 27, 1987. Charoen Pokphand Foods Public Company Limited (“CPF”), which was incorporated in Thailand, indirectly holds 39% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 11, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, and basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standards 34, 'Interim Financial Reporting' as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated

financial statements for the year ended December 31, 2020.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (c) Biological assets measured at fair value less costs to sell.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2020.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	Plenty Type Limited (Cayman Islands)	Management of producing and non-producing business investments	100.00	100.00	100.00	Note 5
The Company	Charoen Pokphand (Taiwan) Corp., Ltd.	Management of importing and exporting business	90.00	90.00	90.00	
The Company	Arbor Acres Taiwan Co., Ltd.	Husbandry, management of chickens to produce breeder chicken and daily chicken	50.00	50.00	50.00	Note 1

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	Rui Mu Foods Co., Ltd.	Management of layers and related business	68.00	68.00	52.00	Note 4
The Company	Rui Fu Foods Co., Ltd.	Management of layers and related business	51.00	51.00	51.00	Note 6
Plenty Type Limited (Cayman Islands)	Chia Tai Lianyungang Co., Ltd.	Management of producing and non-producing business investments	99.99	99.99	99.99	
Chia Tai Lianyungang Co., Ltd.	Lianyungang Chia Tai Agro-industry Development Co., Ltd.	Feeds producing, poultry raising, processing and sales	0.00	0.00	0.00	Note 2
Rui Fu Foods Co., Ltd.	Sheng Da Foods Co., Ltd.	Management of layers and related business	60.00	60.00	75.00	Note 3

Note 1: The Company's direct or indirect shareholding ratio does not exceed 50%. However, the Company holds more than half of the seats of the Board of Directors. Thus, the subsidiary was included in the consolidation.

Note 2: On January 22, 2020, Chia Tai Lianyungang Co., Ltd. completed the disposal of its 70% equity interest in Lianyungang Chia Tai Agro-industry Development Co., Ltd., refer to Note 6(6) for more details.

Note 3: In February 2020 and December 2020, Sheng Da Foods Co., Ltd. increased its capital by cash and the 2 million preferred shares were fully subscribed by Jih Ching Egg Co., Ltd. and Li - Chun Farm Product Co., Ltd., respectively, in line with the joint venture agreement entered into between Rui Fu Foods Co., Ltd. and Jih Ching Egg Co., Ltd. as well as Li - Chun Farm Product Co., Ltd. Therefore, the shareholding ratio of Rui Fu Foods Co., Ltd. decreased to 60% from 100%. On December 28, 2020, Jih Ching Egg Co., Ltd. and Li - Chun Farm Product Co., Ltd. converted all preferred shares to ordinary shares totalling 4,000,000 shares.

Note 4: In April 2020, Rui Mu Foods Co., Ltd. increased its capital by cash and the 10 million ordinary shares were fully subscribed by the Company. Therefore, the shareholding ratio of the Company increased to 68% from 52%.

Note 5: In October 2020, the Board of Directors of Plenty Type Limited (Cayman Islands) resolved to decrease its capital and the number of shares reduced was 15,151,515 shares,

totalling NT\$99,978.

Note 6: Rui Fu Foods Co., Ltd. increased its capital by cash in January 2021, and the Company subscribed ordinary share proportionately to ownership in the amount of 5,100,000 shares, equivalent to \$51,000.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of March 31, 2021. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash on hand and revolving funds	\$ 5,293	\$ 4,363	\$ 5,031
Checking accounts	4,745	4,262	4,160
Demand deposits	<u>258,720</u>	<u>239,054</u>	<u>1,099,211</u>
	<u>\$ 268,758</u>	<u>\$ 247,679</u>	<u>\$ 1,108,402</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. On March 31, 2021, December 31, 2020 and March 31, 2020, the Group has restricted cash and cash equivalents pledged as collateral totalling \$8,200, \$8,200 and \$8,200, respectively, classified as other current financial assets and shown as 'other current assets'. Please refer to Note 8 for details.
- C. On March 31, 2021 and December 31, 2020, the Group has restricted cash and cash equivalents under the Regulations Governing the Management, Utilisation, and Taxation of Repatriated Offshore Funds totalling \$14,091 and \$39,734, respectively, classified as other current financial

assets and shown as ‘other current assets’.

(2) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 476,033	\$ 471,176	\$ 508,036
Valuation adjustment	<u>1,584,873</u>	<u>1,454,696</u>	<u>1,219,190</u>
	<u>\$ 2,060,906</u>	<u>\$ 1,925,872</u>	<u>\$ 1,727,226</u>

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 113,905</u>	<u>(\$ 425,576)</u>

B. The subsidiary, Plenty Type Limited (Cayman Islands), holds CPF’s shares, which are traded on the Thailand Stock Exchange. CPF is the ultimate parent company of the Group.

(3) Notes and accounts receivable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes receivable	<u>\$ 274,475</u>	<u>\$ 280,767</u>	<u>\$ 317,786</u>
Accounts receivable	\$ 1,966,531	\$ 1,910,619	\$ 1,797,021
Less: Allowance for uncollectible accounts	<u>(7,228)</u>	<u>(7,228)</u>	<u>(1,681)</u>
	<u>\$ 1,959,303</u>	<u>\$ 1,903,391</u>	<u>\$ 1,795,340</u>

A. The ageing analysis of accounts receivable is as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current	\$ 1,910,193	\$ 1,863,893	\$ 1,741,291
Up to 120 days	45,418	42,342	51,371
Over 120 days	9,777	3,253	3,229
Over one year	<u>1,143</u>	<u>1,131</u>	<u>1,130</u>
	<u>\$ 1,966,531</u>	<u>\$ 1,910,619</u>	<u>\$ 1,797,021</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2021, December 31,2020 and March 31, 2020, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of accounts receivable and notes receivable from contracts with customers amounted to \$2,138,379.
- C. As of March 31, 2021, December 31,2020 and March 31, 2020, all the Group’s notes receivable were not past due.
- D. The credit quality of accounts receivable was in the following category based on the Group’s Credit Quality Control Policy:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
With guarantee	\$ 138,828	\$ 130,299	\$ 125,156
Without guarantee	<u>1,827,703</u>	<u>1,780,320</u>	<u>1,671,865</u>
	<u>\$ 1,966,531</u>	<u>\$ 1,910,619</u>	<u>\$ 1,797,021</u>

The Group holds commercial papers, real estate and deposits as collateral for accounts receivable.

- E. As at March 31, 2021, December 31,2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes receivable was \$274,475, \$280,767 and \$317,786, respectively, while the amount that best represents the Group’s accounts receivable was \$1,959,303, \$1,903,391 and \$1,795,340, respectively.
- F. Information relating to credit risk of notes and accounts receivable (including related parties) is provided in Note 12(2).

(4) Inventories

	March 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,053,971	\$ -	\$ 1,053,971
Packing supplies	34,710	(400)	34,310
Work in progress	38,584	-	38,584
Finished goods	518,137	(11,800)	506,337
General merchandise	54,478	(3,217)	51,261
Inventory in transit	13,731	-	13,731
	<u>\$ 1,713,611</u>	<u>(\$ 15,417)</u>	<u>\$ 1,698,194</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 747,851	(\$ 238)	\$ 747,613
Packing supplies	33,402	(995)	32,407
Work in progress	29,550	-	29,550
Finished goods	454,351	(9,250)	445,101
General merchandise	54,127	(1,278)	52,849
Inventory in transit	8,872	-	8,872
	<u>\$ 1,328,153</u>	<u>(\$ 11,761)</u>	<u>\$ 1,316,392</u>

March 31, 2020			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 758,815	\$ -	\$ 758,815
Packing supplies	31,073	(600)	30,473
Work in progress	32,247	-	32,247
Finished goods	517,732	(37,980)	479,752
General merchandise	45,050	(739)	44,311
Inventory in transit	4,144	-	4,144
	<u>\$ 1,389,061</u>	<u>(\$ 39,319)</u>	<u>\$ 1,349,742</u>

The cost of inventories recognised as expense for the period:

	For the three-month periods ended March 31,	
	2021	2020
Cost of goods sold	\$ 4,810,120	\$ 4,723,306
Loss on (gain on reversal of) decline in market value	3,656	(21,690)
Others	483	(16)
Less: Operating costs from discontinued operations	-	(78,539)
	<u>\$ 4,814,259</u>	<u>\$ 4,623,061</u>

- A. The cost of goods sold includes the cost of selling biological assets.
- B. Others pertain mainly to gain and loss on physical inventory count and income from disposal of leftover and scraps.
- C. The Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because of the increase in market prices of certain finished goods.

(5) Biological assets

- A. Biological assets

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Biological assets - current:			
Consumable biological assets	\$ 1,145,884	\$ 1,075,447	\$ 1,115,027
Consumable biological assets - changes in fair value less costs to sell	43,353	50,967	19,692
Bearer biological assets	745,128	667,659	551,283
Bearer biological assets - accumulated depreciation	(413,559)	(360,030)	(328,441)
	<u>\$ 1,520,806</u>	<u>\$ 1,434,043</u>	<u>\$ 1,357,561</u>
Biological assets-non-current:			
Bearer biological assets	\$ 506,826	\$ 488,466	\$ 476,590
Bearer biological assets - accumulated depreciation	(88,162)	(89,354)	(88,295)
	<u>\$ 418,664</u>	<u>\$ 399,112</u>	<u>\$ 388,295</u>

Consumable biological assets are those that are to be harvested as agricultural products or sold as biological assets. Bearer biological assets are those other than consumable biological assets.

B. Movements of biological assets are as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
At January 1	\$ 1,833,155	\$ 1,683,087
Purchases	335,566	202,696
Costs and expenses input	1,800,482	1,798,993
Sales	(788,055)	(739,315)
Losses on changes in fair value less costs to sell	(7,614)	(4,432)
Transferred to inventories	(1,232,848)	(1,196,611)
Others	(1,216)	1,438
At March 31	<u>\$ 1,939,470</u>	<u>\$ 1,745,856</u>

C. Biological assets are comprised of broiler chicken, breeder chicken, fattening swine, and breeder swine, etc. Biological assets, other than fattening swine which are measured at fair value less costs to sell at each reporting date, are measured at cost less accumulated depreciation and impairment losses. The fair value of fattening swine is measured using quoted market prices as references.

The market prices or fair values at the present condition of breeders are unavailable due to short production cycle; the market prices or fair values at present condition of broiler chickens are difficult to obtain. The valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, diseases etc. Therefore, breeders and broiler chicken are measured using the cost approach. Cost of biological assets includes all costs incurred during the growth cycle such as costs of new-born animals, feeds, and other farm costs. Bearer biological assets are depreciated using the straight-line method through the productive period of each biological asset. The productive period of breeder swine is approximately 24 ~ 36 months; the productive period of breeder chickens is approximately 30 weeks ~ 1 year. For the three-month periods ended March 31, 2021 and 2020, depreciation expense on biological assets amounted to \$107,855 and \$108,339, respectively.

D. Estimates of physical quantities of biological assets are as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Livestock production:			
Estimates of physical quantities (Units: heads)	<u>5,639,067</u>	<u>5,681,548</u>	<u>6,342,086</u>

E. Financial risk management policies

The Group is exposed to commodity risks arising from changes in market prices of chickens and swine. The Group does not anticipate that the prices of the agricultural products will decline significantly in the foreseeable future and there is no available derivative or other contracts. The Group reviews the predictions of the price of the agriculture products regularly, and considers to take the financial risk.

(6) Non-current assets held for sale and discontinued operations

A. The assets and liabilities related to Lianyungang Chia Tai Agro-industry Development Co., Ltd. have been reclassified as held for sale and presented as discontinued operations as they meet the definition of discontinued operations following the approval of Chia Tai Lianyungang Co., Ltd.'s Board of Directors on February 18, 2019 to sell all shares held in Lianyungang Chia Tai Agro-industry Development Co., Ltd. to the related party, Chia Tai (China) Investment Co., Ltd. The proceeds from disposal amounted to CNY 61,768 thousand and the actual proceeds received amounted to CNY 57,725 thousand after deducting the withholding tax of CNY 4,043 thousand in accordance with the Enterprise Income Tax Law of the People's Republic of China. The transaction procedures were completed in January 2020. The gain on disposal of the shares in Lianyungang Chia Tai Agro-industry Development Co., Ltd. amounted to \$84,145.

B. The cash flow information of the discontinued operations is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Operating cash flows	\$ -	(\$ 40,567)
Investing cash flows	-	(180,956)
Financing cash flows	-	(77,212)
Effect of foreign exchange	-	(363)
Total cash flows	<u>\$ -</u>	<u>(\$ 299,098)</u>

C. Analysis of the result of discontinued operations, and the result recognised on the remeasurement of disposal group, is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Operating revenue	\$ -	\$ 86,391
Operating costs	-	(78,539)
Operating expenses	-	(10,393)
Total non-operating income and expenses	-	(459)
Loss before tax from discontinued operations	-	(3,000)
Income tax benefit	-	750
Loss after tax from discontinued operations	<u>\$ -</u>	<u>(\$ 2,250)</u>
Attributable to:		
Discontinued operations of parent company	\$ -	(\$ 1,575)
Non-controlling interest	-	(675)
Loss after tax from discontinued operations	<u>\$ -</u>	<u>(\$ 2,250)</u>

No impairment loss occurred based on the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

D. For the profit from continuing and discontinued operations attributable to owners of the parent, please refer to Note 6(28) Earnings per share for the details.

(7) Investment accounted for using equity method – joint ventures

The carrying amount of the Group's interests in all individually immaterial joint ventures and the Group's share of the operating results are summarised below:

As of March 31, 2021, December 31, 2020 and March 31, 2020, the carrying amount of the Group's individually immaterial joint ventures amounted to \$100,045, \$99,880 and \$0, respectively.

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Profit for the period from continuing operations	\$ 165	\$ -
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 165</u>	<u>\$ -</u>

The Company jointly established a joint venture, Feng Sheng Livestock Co., Ltd., with a joint venture party on July 20, 2020. The authorised capital was \$600,000. As of March 31, 2021, the paid-in capital was \$200,000, equivalent to 20 million shares of common stock. Both the Company and the joint venture party invested in the joint venture in the amount of \$100,000 and each held 50% equity interest in the joint venture.

(8) Property, plant and equipment

	<u>Land</u>	<u>Land improvements</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1, 2021</u>									
Cost	\$ 2,700,970	\$ 185,876	\$ 3,948,001	\$ 3,891,542	\$ 358,829	\$ 1,018,486	\$ 1,016,864	\$ 2,633,662	\$ 15,754,230
Accumulated depreciation	-	(59,810)	(1,395,534)	(2,212,956)	(163,656)	(610,083)	(416,073)	-	(4,858,112)
	<u>\$ 2,700,970</u>	<u>\$ 126,066</u>	<u>\$ 2,552,467</u>	<u>\$ 1,678,586</u>	<u>\$ 195,173</u>	<u>\$ 408,403</u>	<u>\$ 600,791</u>	<u>\$ 2,633,662</u>	<u>\$ 10,896,118</u>
<u>2021</u>									
Opening net book amount									
as at January 1	\$ 2,700,970	\$ 126,066	\$ 2,552,467	\$ 1,678,586	\$ 195,173	\$ 408,403	\$ 600,791	\$ 2,633,662	\$ 10,896,118
Additions	9,932	312	13,504	16,767	2,337	5,982	4,054	633,485	686,373
Disposals	-	-	(386)	-	(1,824)	-	(299)	-	(2,509)
Reclassifications	273,852	420	85,652	30,383	15,416	-	58,630	(464,353)	-
Depreciation	-	(4,236)	(51,376)	(66,690)	(13,329)	(22,732)	(22,021)	-	(180,384)
Closing net book amount									
as at March 31	<u>\$ 2,984,754</u>	<u>\$ 122,562</u>	<u>\$ 2,599,861</u>	<u>\$ 1,659,046</u>	<u>\$ 197,773</u>	<u>\$ 391,653</u>	<u>\$ 641,155</u>	<u>\$ 2,802,794</u>	<u>\$ 11,399,598</u>
<u>At March 31, 2021</u>									
Cost	\$ 2,984,754	\$ 185,605	\$ 3,973,740	\$ 3,912,869	\$ 374,632	\$ 1,013,520	\$ 1,072,552	\$ 2,802,794	\$ 16,320,466
Accumulated depreciation	-	(63,043)	(1,373,879)	(2,253,823)	(176,859)	(621,867)	(431,397)	-	(4,920,868)
	<u>\$ 2,984,754</u>	<u>\$ 122,562</u>	<u>\$ 2,599,861</u>	<u>\$ 1,659,046</u>	<u>\$ 197,773</u>	<u>\$ 391,653</u>	<u>\$ 641,155</u>	<u>\$ 2,802,794</u>	<u>\$ 11,399,598</u>

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2020</u>									
Cost	\$ 2,377,957	\$ 160,084	\$ 3,782,534	\$ 4,035,713	\$ 299,461	\$ 987,956	\$ 947,640	\$ 1,066,646	\$ 13,657,991
Accumulated depreciation	-	(45,681)	(1,347,834)	(2,305,232)	(178,436)	(530,653)	(361,849)	-	(4,769,685)
	\$ 2,377,957	\$ 114,403	\$ 2,434,700	\$ 1,730,481	\$ 121,025	\$ 457,303	\$ 585,791	\$ 1,066,646	\$ 8,888,306
Less: Transferred non-current assets held for sale	-	-	(34,474)	(76,664)	(2,934)	-	(6,988)	-	(121,060)
	<u>\$ 2,377,957</u>	<u>\$ 114,403</u>	<u>\$ 2,400,226</u>	<u>\$ 1,653,817</u>	<u>\$ 118,091</u>	<u>\$ 457,303</u>	<u>\$ 578,803</u>	<u>\$ 1,066,646</u>	<u>\$ 8,767,246</u>
<u>2020</u>									
Opening net book amount as at January 1	\$ 2,377,957	\$ 114,403	\$ 2,434,700	\$ 1,730,481	\$ 121,025	\$ 457,303	\$ 585,791	\$ 1,066,646	\$ 8,888,306
Additions	50	9,184	13,939	12,697	15,146	-	3,082	505,284	559,382
Disposals	-	-	-	-	(693)	-	-	-	(693)
Reclassifications	125,105	-	13,063	58,976	14,325	5,492	5,431	(222,392)	-
Depreciation	-	(3,604)	(47,232)	(64,334)	(9,737)	(22,428)	(19,692)	-	(167,027)
Loss of control in subsidiaries	-	-	(34,129)	(75,580)	(2,866)	-	(6,856)	(1,042)	(120,473)
Net exchange differences	-	-	(161)	(355)	(13)	-	(33)	(9)	(571)
Closing net book amount as at March 31	<u>\$ 2,503,112</u>	<u>\$ 119,983</u>	<u>\$ 2,380,180</u>	<u>\$ 1,661,885</u>	<u>\$ 137,187</u>	<u>\$ 440,367</u>	<u>\$ 567,723</u>	<u>\$ 1,348,487</u>	<u>\$ 9,158,924</u>
<u>At March 31, 2020</u>									
Cost	\$ 2,503,112	\$ 167,906	\$ 3,662,005	\$ 3,734,687	\$ 305,447	\$ 990,029	\$ 931,293	\$ 1,348,487	\$ 13,642,966
Accumulated depreciation	-	(47,923)	(1,281,825)	(2,072,802)	(168,260)	(549,662)	(363,570)	-	(4,484,042)
	<u>\$ 2,503,112</u>	<u>\$ 119,983</u>	<u>\$ 2,380,180</u>	<u>\$ 1,661,885</u>	<u>\$ 137,187</u>	<u>\$ 440,367</u>	<u>\$ 567,723</u>	<u>\$ 1,348,487</u>	<u>\$ 9,158,924</u>

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	For the three-month periods ended March 31,	
	2021	2020
Amount capitalised	\$ 4,487	\$ 1,595
Interest rate range	1.00%~1.34%	1.12%~1.56%

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group held 214 parcels, 208 parcels and 204 parcels of agricultural land, respectively. The carrying amounts of land registered under the title of others amounted to \$1,093,155, \$1,046,317 and \$989,660, respectively. The titles of these parcels of land are registered under the title of individuals, however, the Group has agreements with those individuals to pledge these agricultural land to the Group.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, business vehicles, and other equipment. Rental contracts are typically made for periods of 1 to 22 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 291,594	\$ 298,184	\$ 315,797
Buildings	27,366	16,061	9,829
Transportation equipment (Cargo truck)	21,788	22,047	3,450
Other equipment	10,774	9,623	12,111
	<u>\$ 351,522</u>	<u>\$ 345,915</u>	<u>\$ 341,187</u>

	For the three-month periods ended March 31,	
	2021	2020
	Depreciation charge	Depreciation charge
Land	\$ 6,590	\$ 6,582
Buildings	2,139	1,593
Transportation equipment (Cargo truck)	1,257	530
Other equipment	1,403	1,699
	<u>\$ 11,389</u>	<u>\$ 10,404</u>

C. For the three-month periods ended March 31, 2021 and 2020, the additions to right-of-use assets were \$16,996 and \$5,634, respectively.

D. The Group has no significant profit or loss in relation to lease contracts for the three-month periods ended March 31, 2021 and 2020.

E. For the three-month periods ended March 31, 2021 and 2020, the Group's total cash outflow for leases were \$9,533 and \$8,952, respectively.

(10) Intangible assets

	Software	Goodwill	Total
<u>At January 1, 2021</u>			
Cost	\$ 10,651	\$ -	\$ 10,651
Accumulated amortisation and impairment	(10,477)	-	(10,477)
	<u>\$ 174</u>	<u>\$ -</u>	<u>\$ 174</u>
<u>2021</u>			
At January 1	\$ 174	\$ -	\$ 174
Amortisation	(52)	-	(52)
At March 31	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 122</u>
<u>At March 31, 2021</u>			
Cost	\$ 10,651	\$ -	\$ 10,651
Accumulated amortisation and impairment	(10,529)	-	(10,529)
	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 122</u>

	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2020</u>			
Cost	\$ 10,568	\$ 13,208	\$ 23,776
Accumulated amortisation and impairment	(9,943)	-	(9,943)
	<u>\$ 625</u>	<u>\$ 13,208</u>	<u>\$ 13,833</u>
<u>2020</u>			
At January 1	\$ 625	\$ 13,208	\$ 13,833
Additions	83	-	83
Amortisation	(210)	-	(210)
Impairment loss	-	(13,331)	(13,331)
Net exchange differences	-	123	123
At March 31	<u>\$ 498</u>	<u>\$ -</u>	<u>\$ 498</u>
<u>At March 31, 2020</u>			
Cost	\$ 10,651	\$ -	10,651
Accumulated amortisation and impairment	(10,153)	-	(10,153)
	<u>\$ 498</u>	<u>\$ -</u>	<u>\$ 498</u>

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ 3,183,000	0.95%~1.58%	None
Letters of credit	210,007	0.47%~0.91%	None
	<u>\$ 3,393,007</u>		
<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ 2,497,000	0.95%~1.58%	None
Letters of credit	162,715	0.64%~1.16%	None
	<u>\$ 2,659,715</u>		
<u>Type of borrowings</u>	<u>March 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ 3,407,000	1.01%~1.70%	None
Letters of credit	20,064	0.74%	None
	<u>\$ 3,427,064</u>		

(12) Short-term notes and bills payable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Commercial paper payable	\$ 770,000	\$ 600,000	\$ 980,000
Less: Unamortised discounts	(952)	(574)	(1,088)
	<u>\$ 769,048</u>	<u>\$ 599,426</u>	<u>\$ 978,912</u>
Interest rate range	0.23%~0.89%	0.28%~0.89%	0.34%~0.93%

The short-term notes and bills payable were guaranteed by certain financial institutions.

(13) Other payables

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Accrued salary	\$ 236,902	\$ 417,022	\$ 221,592
Payables for machinery and equipment	8,304	61,144	7,367
Contract liabilities	-	-	418
Others	249,978	260,081	278,795
	<u>\$ 495,184</u>	<u>\$ 738,247</u>	<u>\$ 508,172</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	March 31, 2021
Secured loans	2017.10.5~2030.12.15	0.1%-1.4%	\$ 1,496,587
Unsecured credit loans	2017.9.6~2023.12.31	0.79%-1.35%	3,090,000
			<u>4,586,587</u>
Less: Current portion (shown as 'Other current liabilities')			(613,250)
			<u>\$ 3,973,337</u>

Type of borrowings	Borrowing period	Interest rate range	December 31, 2020
Secured loans	2017.10.5~2030.12.15	0.1%-1.4%	\$ 1,198,500
Unsecured credit loans	2017.9.6~2023.12.31	0.79%-1.35%	3,530,000
			<u>4,728,500</u>
Less: Current portion (shown as 'Other current liabilities')			(213,250)
			<u>\$ 4,515,250</u>

Type of borrowings	Borrowing period	Interest rate range	March 31, 2020
Secured loans	2017.10.5~2026.4.3	1.33%-1.63%	\$ 456,437
Unsecured credit loans	2017.9.6~2022.10.27	1.03%-1.50%	2,425,000
			<u>2,881,437</u>
Less: Current portion (shown as 'Other current liabilities')			(593,250)
			<u>\$ 2,288,187</u>

Information on collaterals pledged for long-term borrowings is provided in Note 8.

(15) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to specific percentage of the employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balances are insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$682 and \$861 for the three-month periods ended March 31, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 have no material differences from actual contributions for the year ended December 31, 2020.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs for the aforementioned defined contribution pension plans of the Group for the three-month periods ended March 31, 2021 and 2020 were \$13,734 and \$12,058, respectively.
- (b) The Company's Mainland China subsidiary, Lianyungang Chia Tai Agro-industry Development Co., Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations

in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage has been adjusted to 16% since May 1, 2019. Other than the monthly contributions, the Group has no further obligations. The pension costs for the aforementioned defined contribution pension plan of this subsidiary for the three-month periods ended March 31, 2021 and 2020 were \$0 and \$451, respectively.

(16) Share capital - common stock

As of March 31, 2021, the Company's authorised capital was \$3,579,000, consisting of 357,900 thousand shares of common stock, and the paid-in capital was \$2,679,910, consisting of 267,991 thousand shares of common stock with a par value of \$10 (in dollars) per share. All proceeds from shares issuance have been collected.

For the three-month periods ended March 31, 2021 and 2020, there were no changes in the number of the Company's ordinary shares outstanding.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. A special reserve is set aside or reversed in accordance with related laws or regulations by the Competent Authority. The remainder, if any, along with the accumulated unappropriated earnings in prior years, shall be distributed as shareholders' bonus as resolved by the shareholders. Cash dividends to shareholders shall account for at least 10% of the total dividends distributed to shareholders. If cash dividend is lower than \$0.1 (in dollars) per share, dividends are distributed using share dividends.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2019 have been resolved at the shareholders' meeting on June 23, 2020, as follows:

	2019	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 146,471	
Cash dividends	1,071,964	\$ 4

- E. Events after the balance sheet date:

The appropriations of earnings for 2020 proposed by the Board of Directors on May 11, 2021 are as follows. The dividends payable is not reflected in the consolidated financial statements of the Group.

	2020	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 164,389	
Cash dividends	1,205,959	\$ 4.5

The appropriation proposal of 2020 earnings has not yet been resolved at the shareholders' meeting.

(19) Operating revenue

	For the three-month periods ended March 31,	
	2021	2020
Revenue from contracts with customers	\$ 5,718,985	\$ 5,327,584
Less: Operating revenue from discontinued operations	-	(86,391)
	<u>\$ 5,718,985</u>	<u>\$ 5,241,193</u>

- A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

<u>For the three-month period ended March 31, 2021</u>	<u>Domestic</u>	<u>Asia</u>	<u>Total</u>
Total segment revenue	\$ 5,850,114	\$ -	\$ 5,850,114
Inter-segment revenue	(131,129)	-	(131,129)
Revenue from external customer contracts	<u>\$ 5,718,985</u>	<u>\$ -</u>	<u>\$ 5,718,985</u>
Timing of revenue recognition			
At a point in time	<u>\$ 5,718,985</u>	<u>\$ -</u>	<u>\$ 5,718,985</u>

<u>For the three-month period ended March 31, 2020</u>	<u>Domestic</u>	<u>Asia</u>	<u>Total</u>
Total segment revenue	\$ 5,349,831	\$ 86,391	\$ 5,436,222
Inter-segment revenue	(108,638)	-	(108,638)
Revenue from external customer contracts	<u>\$ 5,241,193</u>	<u>\$ 86,391</u>	<u>\$ 5,327,584</u>
Timing of revenue recognition			
At a point in time	\$ 5,241,193	\$ 86,391	\$ 5,327,584
Less: Operating revenue from discontinued operations	<u>-</u>	<u>(86,391)</u>	<u>(86,391)</u>
	<u>\$ 5,241,193</u>	<u>\$ -</u>	<u>\$ 5,241,193</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Contract liabilities:			
Contract liabilities - advance receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 418</u>

C. Information on revenue categorised by nature is provided in Note 14(2).

(20) Other income and expenses, net

Other income and expenses, net are gains (losses) on change in fair value less costs to sell of biological assets.

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Other income and expenses, net	<u>(\$ 7,614)</u>	<u>(\$ 4,432)</u>

(21) Interest income

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income from bank deposits	\$ 28	\$ 794
Less: Interest income from discontinued operations	-	(257)
	<u>\$ 28</u>	<u>\$ 537</u>

(22) Other income

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental income	<u>\$ 2,263</u>	<u>\$ 2,538</u>

(23) Other gains and losses

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Gain (loss) on disposal of property, plant and equipment	(\$ 1,285)	\$ 2,207
Gain on disposal of investment	-	84,145
Impairment loss on non-financial assets	-	(13,331)
Foreign exchange gains	11,306	2,050
Other gains and losses	5,704	8,785
Less: Other gains and losses from discontinued operations	-	716
	<u>\$ 15,725</u>	<u>\$ 84,572</u>

(24) Finance costs

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest expense: Bank borrowings	<u>\$ 17,750</u>	<u>\$ 22,087</u>

(25) Expenses by nature (Including discontinued operations)

	For the three-month period ended March 31, 2021		
	Operating cost	Operating expenses	Total
Employee benefit expense	\$ 364,235	\$ 207,169	\$ 571,404
Depreciation on property, plant and equipment	163,505	16,879	180,384
Depreciation on right-of- use assets	8,697	2,692	11,389
Amortisation	914	102	1,016
	<u>\$ 537,351</u>	<u>\$ 226,842</u>	<u>\$ 764,193</u>

	For the three-month period ended March 31, 2020		
	Operating cost	Operating expenses	Total
Employee benefit expense	\$ 337,723	\$ 176,374	\$ 514,097
Depreciation on property, plant and equipment	155,215	11,812	167,027
Depreciation on right-of- use assets	8,350	2,054	10,404
Amortisation	872	258	1,130
	<u>\$ 502,160</u>	<u>\$ 190,498</u>	<u>\$ 692,658</u>

(26) Employee benefit expense (Including discontinued operations)

	For the three-month period ended March 31, 2021		
	Operating cost	Operating expenses	Total
Wages and salaries	\$ 304,940	\$ 186,138	\$ 491,078
Labor and health insurance	33,666	14,021	47,687
Pension costs	9,294	5,122	14,416
Other personnel expenses	16,335	1,888	18,223
	<u>\$ 364,235</u>	<u>\$ 207,169</u>	<u>\$ 571,404</u>

	For the three-month period ended March 31, 2020		
	Operating cost	Operating expenses	Total
Wages and salaries	\$ 285,012	\$ 156,686	\$ 441,698
Labor and health insurance	28,069	11,738	39,807
Pension costs	8,245	5,125	13,370
Other personnel expenses	16,397	2,825	19,222
	<u>\$ 337,723</u>	<u>\$ 176,374</u>	<u>\$ 514,097</u>

Other personnel expenses include meal allowance, training expenses and employee benefits.

- A. According to the Articles of Incorporation of the Company, an amount equal to at least 1% of the Company's distributable profit of the current year should be appropriated as employees' compensation expense. If the Company has an accumulated deficit, earnings should be reserved to cover the accumulated losses in advance.
- B. For the three-month periods ended March 31, 2021 and 2020, employees' compensation was accrued at \$4,879 and \$2,778, respectively. The aforementioned amounts were recognised in wages and salaries expense.

For the three-month period ended March 31, 2021, the employees' compensation was estimated and accrued based on 1% (as prescribed by the Company's Articles of Incorporation) of distributable profit of current year as of the end of reporting period.

For 2020, the difference of \$178 between employees' compensation of \$20,889 resolved by the Board of Directors and the amount of \$20,711 recognised in the 2020 financial statements, mainly resulting from a variance in estimation, will be adjusted in profit or loss for 2021. The employees' compensation in 2020 has not yet been distributed, so the adjustment of the variance was not yet reflected in the consolidated financial statements of the Group.

- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

- (a) Components of income tax expense:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Current tax on profits for the period	\$ 108,449	\$ 45,454
Tax on undistributed surplus earnings	-	-
Prior year income tax underestimation (overestimation)	(3,617)	-
Total current tax	<u>104,832</u>	<u>45,454</u>
Deferred tax:		
Origination and reversal of temporary differences	(14,591)	11,215
Total deferred tax	(14,591)	11,215
Income tax expense	90,241	56,669
Less: Income tax expense from discontinued operations	-	750
Income tax expense	<u>\$ 90,241</u>	<u>\$ 57,419</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Remeasurement of defined benefit obligations	<u>\$ -</u>	<u>\$ -</u>

B. The income tax returns through 2019 of the Company and its subsidiaries - Charoen Pokphand (Taiwan) Corp., Ltd., Arbor Acres Taiwan Co., Ltd., and Sheng Da Foods Co., Ltd. have been assessed and approved by the Tax Authority. The income tax returns through 2018 of the Company and its subsidiaries - Rui Mu Foods Co., Ltd. and Rui Fu Foods Co., Ltd. have been assessed and approved by the Tax Authority.

(28) Earnings per share

	For the three-month period ended March 31, 2021		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 387,237</u>	<u>267,991</u>	<u>\$ 1.45</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders	\$ 387,237	267,991	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	<u>-</u>	<u>350</u>	
Profit from continuing operations attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>387,237</u>	<u>268,341</u>	<u>\$ 1.44</u>
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 387,237</u>	<u>268,341</u>	<u>\$ 1.44</u>

For the three-month period ended March 31, 2020

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders	\$ 235,922	<u>267,991</u>	\$ 0.88
Loss from discontinued operations	(1,575)		(0.01)
Profit attributable to ordinary shareholders	<u>\$ 234,347</u>		<u>\$ 0.87</u>
<u>Diluted earnings per share</u>			
Profit from continuing operations attributable to ordinary shareholders	\$ 235,922	267,991	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	<u>-</u>	<u>341</u>	
Profit from continuing operations attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	235,922	<u>268,332</u>	\$ 0.88
Loss from discontinued operations	(1,575)		(0.01)
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 234,347</u>	<u>268,332</u>	<u>\$ 0.87</u>

(29) Supplemental cash flow information

Investing activities with partial cash payment are as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Acquisition of property, plant and equipment	\$ 686,373	\$ 559,382
Add: Opening balance of payable on equipment	61,144	35,719
Less: Ending balance of payable on equipment	(8,304)	(7,367)
Cash paid during the period	<u>\$ 739,213</u>	<u>\$ 587,734</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

CPF (incorporated in Thailand) indirectly held 39% of the Company's equity shares. The remaining shares were held by the general public. CPG is the major shareholder of CPF.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Charoen Pokphand Foods Public Co., Ltd. (CPF)	Ultimate parent company
Charoen Pokphand Group Co., Ltd. (CPG)	Other related parties
C.P. Consumer Products Company Limited	"
C.P. Merchandising Company Limited	"
Chia Tai Feedmill Pte. Ltd.	"
Ta Chung Investment Co., Ltd.	"
Chun Ta Investment Co., Ltd.	"
Perfect Companion (Taiwan) Co., Ltd.	"
Aviagen Incorporation	"
Mu Da Egg Co.	"
Fu Ding International Corporation	"
Fu Ting Foods Co., Ltd.	"
Li - Chun Farm Product Co., Ltd.	"
Jih Ching Egg Co., Ltd.	"
Shandong C.P. Livestock Co., Ltd.	"
Chia Tai Aquaculture (Nantong) Co., Ltd.	"
Chia Tai Investment Co., Ltd. (Formerly Chia Tai (China) Investment Co., Ltd.)	"
Chia Tai Food (Suqian) Co., Ltd.	"
Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	"
Chia Tai Electronic Commerce (Zhejiang) Co., Ltd.	"
C.P. Premix (Nantong) Co., Ltd.	"
Jiangsu C.T. & Suken Swine Co., Ltd.	"
Jiansu Huai Yin Chia Tai Co., Ltd.	"
Pizhou Chia Tai Food Co., Ltd.	"
Qingdao Chia Tai Agricultural Development Co., Ltd.	"
Qingdao CP Swine Business Co., Ltd.	"

Names of related parties	Relationship with the Group
Nantong Chia Tai Co., Ltd.	Other related parties
Nantong Chia Tai Agriculture Development Co., Ltd.	"
Xuzhou Chia Tai Feed Co., Ltd.	"
Taizhou Chia Tai Feed Co., Ltd.	"
Huaian C.P. Livestock Co., Ltd.	"
Fuzhou Da Fu Co., Ltd.	"
Hung Peng-Da	"
Hung Yu-Chun	"
Huang Wei-I	"
Lu Yi-Feng	"
Lu Xiang-Da	"
Lu Pei-Lun	"
Lan Fu-Shi	"
Zhang Jian-Wen	"

(3) Significant related party transactions and balances

A. Operating revenue

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
Other related parties	\$ 102,223	\$ 22,992
Less: Operating revenue from discontinued operations	-	(22,992)
	<u>\$ 102,223</u>	<u>\$ -</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
Ultimate parent company	\$ 3,123	\$ -
Other related parties	59,865	21,925
Less: Purchases from discontinued operations	-	(19,764)
	<u>\$ 62,988</u>	<u>\$ 2,161</u>

Goods are purchased from related parties on normal commercial terms and conditions.

C. Receivables from related parties

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes and accounts receivable:			
Other related parties	\$ 58,671	\$ -	\$ -
Other receivables:			
Other related parties	<u>21</u>	<u>-</u>	<u>-</u>
	<u>\$ 58,692</u>	<u>\$ -</u>	<u>\$ -</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. No allowance for uncollectible accounts was provided for receivables from related parties.

D. Payables to related parties

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes and accounts payable:			
Other related parties	\$ 33,309	\$ 1,273	\$ 115
Other payable:			
Other related parties	<u>3,468</u>	<u>-</u>	<u>-</u>
	<u>\$ 36,777</u>	<u>\$ 1,273</u>	<u>\$ 115</u>

The payables to related parties arise mainly from purchase transactions. Other payables arise mainly from freight, processing fees and joint breeding fees. The payables bear no interest.

E. Prepayments:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Other related parties	<u>\$ 13,606</u>	<u>\$ -</u>	<u>\$ -</u>

Prepayment was pertaining to the prepayment for jointly contractual breeding.

F. Rental income (shown as ‘Other income’)

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental income:		
Other related parties	<u>\$ 245</u>	<u>\$ 245</u>

The rental receivables are collected annually or monthly based on the contracts.

G. Technical service agreement

- (a) The Company signed a technical service agreement with CPG since 1996. CPG helps the Company to manufacture feeds, raise animals and to process meat products, and the Company

pays compensation of THB12 million (net value) for the services annually. The commitment would not be terminated except when any of the two parties would agree to end the agreement. For the three-month periods ended March 31, 2021 and 2020, the Company recognised technical service expenses amounting to \$2,907 and \$3,273, respectively. As of March 31, 2021, December 31,2020 and March 31, 2020 the outstanding balances were approximately \$0, \$55 and \$17, respectively, and shown as ‘other payables to related parties’.

- (b) The Company signed a technical service agreement with CPG at the end of 2015. CPG helps the Company to raise animals and provides consulting services of related technical skills, and the Company pays compensation of \$700 for the services monthly. The contract is effective for 5 years. The contract term was extended to five years effective from the end of 2020. For the three-month periods ended March 31, 2021 and 2020, the Company recognised technical service expense amounting to \$2,100 and \$2,100, respectively. As of March 31, 2021, December 31,2020 and March 31, 2020, the outstanding balances were \$2,800, \$700 and \$4,200, respectively, and shown as ‘other payables to related parties’.

H. Trademark licensing agreement

The Company signed a trademark license agreement with CPG at the end of 2015. The contract authorises the Company to use ‘CP’ as trademark in the designated area (Republic of China). Royalties are paid monthly based on 1.5% of the net amount of sales. The contract is effective for 5 years. The contract term was extended to five years effective from the end of 2020. For the three-month periods ended March 31, 2021 and 2020, the Company recognised royalties amounting to \$18,885 and \$19,486, respectively. As of March 31, 2021, December 31,2020 and March 31, 2020, the outstanding balances were \$25,478, \$6,593 and \$39,509, respectively, and shown as ‘other payables to related parties’.

I. Property transactions

On April 14, 2020, the Board of Directors of Rui Mu Foods Co., Ltd. resolved to dispose the land located at Daochang Section, Houbi District, Tainan City to other related party for the purpose of activating the idle assets due to suspension of the plan to establish a chicken manure processing plant. The total transaction amount and gain on disposal were \$23,642 and \$678, respectively. The payment arising from the disposal had been collected in May 2020.

(4) Key management compensation

	<u>For the three-month periods ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$ 49,512	\$ 43,650
Post-employment benefits	415	399
Total	<u>\$ 49,927</u>	<u>\$ 44,049</u>

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

Pledged assets	Book value			Purpose
	March 31, 2021	December 31, 2020	March 31, 2020	
Time deposits (shown as 'Other current assets')	\$ 8,200	\$ 8,200	\$ 8,200	Guarantee deposit
Property, plant and equipment				
Land	1,028,046	979,811	142,803	Long-term borrowings
Buildings and structures	223,415	226,483	409,801	Long-term borrowings
Construction in progress	733,355	621,642	18,680	Long-term borrowings
	<u>\$ 1,993,016</u>	<u>\$ 1,836,136</u>	<u>\$ 579,484</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The Group subsequently invested to establish chicken farms in Hualien county starting from 2018, and had submitted an application to the Hualien County Government for approval based on the Group's building and feeding project. However, the Hualien County Government issued a letter on July 10, 2020 to terminate the Group's application for the building of farming facilities on agricultural land without taking into consideration the measures and goodwill that the Group took in order to reach consensus with local residents and resolve controversy. The Group has appointed lawyers and filed an appeal as administrative remedy. For the administrative appeal filed against the administrative action concerning the revocation of the permission letter to use the land in dispute, the Council of Agriculture of Executive Yuan revoked the aforesaid administrative action in accordance with the Appeal Resolution Letter Order No. Nong-Su-Zi-1090727273, dated January 12, 2021. As for the administrative appeal filed against the administrative action concerning the disapproval Jingzhong Section, Shoufeng Township, Hualien County, the Council of Agriculture of Executive Yuan revoked the aforesaid administrative action in accordance with the Appeal Resolution Letter Order No. Nong-Su-Zi-1090721271, dated January 12, 2021, and requested the Hualien County Government to take other legitimate actions. As of March 31, 2021, the related costs incurred by the Group amounted to \$71,118, excluding the cost of land.

(2) Commitments

- A. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had opened unused letters of credit for purchases of raw materials and machinery of \$732,892, \$504,107 and \$446,892, respectively.
- B. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had several outstanding construction contracts and equipment purchase agreements. The balance outstanding amounted to \$981,925, \$1,378,909 and \$975,748, respectively, and will be paid based on the percentage of completion.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

12. OTHERS

(1) Capital risk management

There were no significant changes in the reporting period, please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

(2) Financial risk of financial instruments

A. Financial instruments by category

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial assets</u>			
Financial assets measured at fair value through other comprehensive income			
Designation of equity instrument	\$ 2,060,906	\$ 1,925,872	\$ 1,727,226
Financial assets at amortised cost			
Cash and cash equivalents	268,758	247,679	1,108,402
Notes receivable (including related parties)	277,483	280,767	317,786
Accounts receivable (including related parties)	2,014,966	1,903,391	1,795,340
Other receivables (including related parties)	4,831	13,495	14,509
Refundable deposits	48,821	49,402	41,757
Other financial assets - current	22,291	47,934	8,200
	<u>\$ 4,698,056</u>	<u>\$ 4,468,540</u>	<u>\$ 5,013,220</u>

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 3,393,007	\$ 2,659,715	\$ 3,427,064
Short-term notes and bills payable	769,048	599,426	978,912
Notes payable (including related parties)	386,060	600,078	451,508
Accounts payable (including related parties)	830,383	747,557	676,802
Other payables (including related parties)	526,930	745,595	551,898
Long-term borrowings (including current portion)	4,586,587	4,728,500	2,881,437
	<u>\$ 10,492,015</u>	<u>\$ 10,080,871</u>	<u>\$ 8,967,621</u>
Lease liability	<u>\$ 328,560</u>	<u>\$ 321,097</u>	<u>\$ 327,870</u>

B. Financial risk management policies

There were no significant changes in the reporting period, please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

C. Financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, HKD and CNY. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: CNY and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

		March 31, 2021		
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	114	28.49	\$ 3,258
USD:HKD	USD	3,430	7.80	97,928
CNY:HKD	CNY	685	1.19	2,975
<u>Non-monetary item</u>				
THB:HKD	THB	2,265,600	0.25	\$ 2,060,906
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	10,215	28.59	\$ 292,004
JPY:NTD	JPY	20,999	0.26	5,453
EUR:NTD	EUR	23	33.68	762
SGD:NTD	SGD	93	21.30	1,987
		December 31, 2020		
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	110	28.43	\$ 3,131
USD:HKD	USD	3,461	7.80	97,828
CNY:HKD	CNY	685	1.19	2,948
<u>Non-monetary item</u>				
THB:HKD	THB	2,054,400	0.26	\$ 1,925,872
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	7,546	28.53	\$ 215,295
EUR:NTD	EUR	155	35.22	5,459

	March 31, 2020				
	Foreign currency amount (in thousands)		Exchange rate		Book value (NTD)
(Foreign currency : functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:HKD	USD	9,995	7.80	\$	304,591
CNY:HKD	CNY	7,185	1.09		30,720
<u>Non-monetary item</u>					
THB:HKD	THB	1,886,240	0.24	\$	1,727,226
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	USD	2,182	30.28	\$	66,063
EUR:NTD	EUR	600	33.44		20,064

Note: The functional currency of certain subsidiaries belonging to the Group is HKD. Thus, this information has to be considered when reporting.

- v. Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2021 and 2020 amounted to \$11,306 and \$2,050, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended March 31, 2021				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	33	\$ -
USD : HKD	1%		979	-
CNY : HKD	1%		30	-
<u>Non-monetary item</u>				
THB : HKD	1%	\$	-	\$ 20,609
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	(\$	2,920)	\$ -
JPY : NTD	1%	(55)	-
EUR : NTD	1%	(8)	-
SGD : NTD	1%	(20)	-

For the three-month period ended March 31, 2020				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : HKD	1%	\$	3,046	\$ -
CNY : HKD	1%		307	-
<u>Non-monetary item</u>				
THB : HKD	1%	\$	-	\$ 17,272
<u>Financial liabilities</u>				
<u>Monetary item</u>				
USD : NTD	1%	(\$	661)	\$ -
EUR : NTD	1%	(201)	-

Price risk

- i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through other comprehensive income. Please refer to Note 6(2).
- ii. For the Group's strategies for biological assets price risk, please refer to Note 6(5).

iii. The Group's investment in equity securities comprise foreign listed stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other equity for the three-month periods ended March 31, 2021 and 2020 would have increased/decreased by \$20,609 and \$17,272, respectively, as a result of gains/losses on equity securities classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the three-month periods ended March 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in NTD.
- ii. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios run only for liabilities that represent the major interest-bearing positions.
- iii. For the three-month periods ended March 31, 2021 and 2020, if interest rates on NTD-denominated borrowings at that date had been 1% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2021 and 2020, would have been \$9,173 and \$5,763 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is the contract cash flows when counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. Based on the Group's historical experience, if the contract payments were past due over 17 days, there has been a significant increase in credit risk on that instrument since initial recognition. As a result, the Group should strengthen controls and make follow-up procedures.
- iv. The Group pays attention on specific customers whose payments were past due to confirm the debts and recognises the allowance for bad debts when there is a concern about default based on the assessment of customers' credit risk.
- v. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss impairment under the provision matrix basis.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's written-off financial assets that are still under recourse procedures amounted to \$179, \$720 and \$212, respectively.
- vii. (i) The expected loss rate for well-reputed customers is 0.03%. As of March 31, 2021, December 31, 2020 and March 31, 2020, the total book value of accounts receivable and loss allowance amounted to \$759,002 and \$0; \$705,100 and \$0; and \$721,506 and \$0, respectively.
- (ii) The Group used the forecastability of the global economy to adjust historical and timely information to assess the default possibility of accounts receivable in accordance with customers' credit. As of March 31, 2021, December 31, 2020 and March 31, 2020, the expected loss rate is as follows:

	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>March 31, 2021</u>			
Expected loss rate	0%~100%	0.003%~10%	
Total book value	\$ 29,581	\$ 1,233,611	\$ 1,263,192
Loss allowance	6,327	901	7,228
	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2020</u>			
Expected loss rate	0%~100%	0.003%~10%	
Total book value	\$ 20,492	\$ 1,185,027	\$ 1,205,519
Loss allowance	6,327	901	7,228
	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>March 31, 2020</u>			
Expected loss rate	0%~100%	0.003%~10%	
Total book value	\$ 25,625	\$ 1,049,890	\$ 1,075,515
Loss allowance	1,637	44	1,681

Note: Customers are categorised into Group A and B based on their credit rating. The expected loss rate is assessed on an individual basis under each group.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	<u>2021</u>
	Notes and accounts receivable (including related parties)
At January 1 (Same as March 31)	<u>\$ 7,228</u>
	<u>2020</u>
	Notes and accounts receivable (including related parties)
At January 1	\$ 1,700
Reversal of impairment loss	(19)
At March 31	<u>\$ 1,681</u>

The reversal of impairment loss arising from customers' contracts for the three-month periods ended March 31, 2021 and 2020 amounted to \$0 and \$19, respectively.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's financial ratio targets, covenant compliance and applicable external regulatory or legal requirements.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

March 31, 2021	<u>Less than 1 year</u>	Between 1 and	
		<u>5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 3,393,007	\$ -	\$ -
Short-term notes and bills payable	770,000	-	-
Notes payable (including related parties)	386,060	-	-
Accounts payable (including related parties)	830,383	-	-
Other payables (including related parties)	526,930	-	-
Lease liabilities	30,632	129,452	195,001
Long-term borrowings (including current portion)	656,738	3,640,114	385,242

Non-derivative financial liabilities

December 31, 2020	<u>Less than 1 year</u>	Between 1 and	
		<u>5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,659,715	\$ -	\$ -
Short-term notes and bills payable	600,000	-	-
Notes payable	600,078	-	-
Accounts payable (including related parties)	747,557	-	-
Other payables (including related parties)	745,595	-	-
Lease liabilities	27,300	132,940	187,744
Long-term borrowings (including current portion)	260,238	4,251,158	322,740

Non-derivative financial liabilities

March 31, 2020	Less than 1 year	Between 1 and	
		5 years	Over 5 years
Short-term borrowings	\$ 3,427,064	\$ -	\$ -
Short-term notes and bills payable	980,000	-	-
Notes payable	451,508	-	-
Accounts payable (including related parties)	676,802	-	-
Other payables (including related parties)	551,898	-	-
Lease liabilities	25,023	118,091	214,794
Long-term borrowings (including current portion)	625,947	2,247,222	61,840

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in biological assets is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

C. The related information on financial and non-financial instruments measured at fair value by level based on the nature, characteristics and risks of the assets and liabilities is as follows:

<u>March 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Biological assets	<u>\$ -</u>	<u>\$ 871,587</u>	<u>\$ -</u>	<u>\$ 871,587</u>
Financial assets at fair value through other comprehensive income:				
Equity securities	<u>\$ 2,060,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,060,906</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Biological assets	<u>\$ -</u>	<u>\$ 828,736</u>	<u>\$ -</u>	<u>\$ 828,736</u>
Financial assets at fair value through other comprehensive income:				
Equity securities	<u>\$ 1,925,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,925,872</u>
<u>March 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Biological assets	<u>\$ -</u>	<u>\$ 795,072</u>	<u>\$ -</u>	<u>\$ 795,072</u>
Financial assets at fair value through other comprehensive income:				
Equity securities	<u>\$ 1,727,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,727,226</u>

- D. The methods and assumptions of the Group used to measure fair value are as follows:
- The instruments the Group used quoted market prices as their fair values (that is, Level 1) are listed stocks, whose quoted market prices are based on the closing prices which are classified as financial assets at fair value through other comprehensive income.
 - The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
 - Details of methods for measuring Level 2 - Biological assets are provided in Note 6(5).
- E. For the three-month periods ended March 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. For the three-month periods ended March 31, 2021 and 2020, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others during the three-month period ended March 31, 2021: None.
- C. Holding of marketable securities at March 31, 2021 (not including subsidiaries, associates and joint ventures):

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of March 31, 2021				Footnote
	Types	Name			Number of shares	Book value	Ownership	Fair value (Note 1)	
Plenty Type Limited (Cayman Islands)	Common share	CHAROEN POKPHAND (USA), INC.	None	Financial assets at fair value through profit or loss	4,501,000	\$ -	0.02%	\$ -	
Plenty Type Limited (Cayman Islands)	Common share	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	(Note 2)	Financial assets at fair value through other comprehensive income	76,800,000	2,060,906	0.89%	2,060,906	

Note 1: The numbers filled in for market value are as follows:

- (1) Where there is a quoted market price, the fair value is based on the closing price at the balance sheet date, the fair value of open-end funds is based on the net asset value at the balance sheet date.
- (2) Where there is no quoted market price, this column is filled in with the book value per share for stocks or left blank for other instruments.

Note 2: Investee company accounted for as financial assets at fair value through other comprehensive income by Plenty Type Limited (Cayman Islands), which is ultimate parent entity of the Company

- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300,000 or 20% of the Company's paid-in capital during the three-month period ended March 31, 2021: None.
- E. Acquisition of real estate reaching NT\$300,000 or 20% of paid-in capital or more during the three-month period ended March 31, 2021: None.
- F. Disposal of real estate reaching NT\$300,000 or 20% of paid-in capital or more during the three-month period ended March 31, 2021: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100,000 or 20% of paid-in capital or more during the three-month period ended March 31, 2021: None.
- H. Receivables from related parties reaching NT\$100,000 or 20% of paid-in capital or more as at March 31, 2021: None.
- I. Trading in derivative instruments undertaken during the three-month period ended March 31, 2021: None
- J. Significant inter-company transactions during the three-month period ended March 31, 2021:

The inter-company transactions below 1% of consolidated assets or revenue are not disclosed.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China):

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of March 31, 2021			Net profit of the investee	Investment income recognised by the Company	Footnote
				Balance as of March 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
The Company	Plenty Type Limited (Cayman Islands)	Cayman Islands	Management of producing and non-producing business investments	\$ 620,471	\$ 620,471	81,218,564	100.00	\$ 2,162,773	(\$ 1,205)	(\$ 1,205)	Subsidiary (Note 1)
The Company	Charoen Pokphand (Taiwan) Corp., Ltd.	Taiwan	Management of importing and exporting businesses	20,086	20,086	2,443,716	90.00	44,191	3,699	3,329	Subsidiary
The Company	Arbor Acres Taiwan Co., Ltd.	Taiwan	Husbandry management of chickens to produce breeder chicken and daily chicken	60,131	60,131	1,600,000	50.00	95,133	8,947	4,474	Subsidiary
The Company	Rui Mu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	193,860	193,860	20,400,000	68.00	176,370	(11,421)	(7,766)	Subsidiary
The Company	Rui Fu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	306,000	255,000	30,600,000	51.00	261,236	(16,618)	(8,475)	Subsidiary (Note 1)
The Company	Feng Sheng Livestock Co., Ltd.	Taiwan	Electric livestock slaughter	100,000	100,000	10,000,000	50.00	100,045	330	165	Investment accounted for using equity method - joint ventures
Plenty Type Limited (Cayman Islands)	Chia Tai Lianyungang Co., Ltd.	Hong Kong	Management of producing and non-producing business investments	HKD 19,910	HKD 19,910	999,999	99.99	4,053	(158)	-	Indirectly owned subsidiary (Note 2)
Rui Fu Foods Co., Ltd.	Sheng Da Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	60,000	60,000	6,000,000	60.00	52,517	(3,755)	-	Indirectly owned subsidiary (Note 2)

Note 1: Including recognition of current profit of its investees.

Note 2: Current period income has been recognised by subsidiaries and indirectly owned subsidiaries.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

<u>Name of major shareholders</u>	<u>Shares</u>	
	<u>Name of shares held</u>	<u>Ownership (%)</u>
Charoen Pokphand (Taiwan) Investment Ltd., Bermuda	26,802,733	10.00
Bright Excel Investments Limited, BVI	24,832,500	9.26
Giant Crown Investments Limited, BVI	16,946,479	6.32
Chun Ta Investment Co., Ltd .	15,176,525	5.66

14. OPERATING SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decision.

The Group's Chief Operating Decision-Maker considers the business from a product type perspective. The main activities of the Group are feeds business, meat processing business, food processing business, management of importing and exporting animal medicine and husbandry business. The reportable segments are as follows:

- A. Feeds business: Manufacture and sale of animal feeds and wholesale of commodity;
- B. Meat processing business;
- C. Food processing business; and
- D. Husbandry business: Husbandry management of chickens to produce eggs and meat.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2021					
	<u>Feeds</u>	<u>Meat processing</u>	<u>Food processing</u>	<u>Husbandry</u>	<u>Others</u>	<u>Total</u>
Revenues from third parties	\$ 3,101,920	\$ 1,301,216	\$ 924,755	\$ 370,609	\$ 20,485	\$ 5,718,985
Revenues from the Group	<u>87,478</u>	<u>8,516</u>	<u>475</u>	<u>20,260</u>	<u>14,400</u>	<u>131,129</u>
Total segment revenue	<u>\$ 3,189,398</u>	<u>\$ 1,309,732</u>	<u>\$ 925,230</u>	<u>\$ 390,869</u>	<u>\$ 34,885</u>	<u>\$ 5,850,114</u>
Segment income (loss)	<u>\$ 437,459</u>	<u>\$ 49,981</u>	<u>\$ 39,570</u>	<u>(\$ 23,773)</u>	<u>(\$ 27,772)</u>	<u>\$ 475,465</u>

	For the three-month period ended March 31, 2020					
	<u>Feeds</u>	<u>Meat processing</u>	<u>Food processing</u>	<u>Husbandry</u>	<u>Others</u>	<u>Total</u>
Revenues from third parties (Note 1)	\$ 2,848,995	\$ 1,272,699	\$ 933,407	\$ 247,117	\$ 25,366	\$ 5,327,584
Revenues from the Group	<u>64,078</u>	<u>9,241</u>	<u>278</u>	<u>23,271</u>	<u>11,770</u>	<u>108,638</u>
Total segment revenue	<u>\$ 2,913,073</u>	<u>\$ 1,281,940</u>	<u>\$ 933,685</u>	<u>\$ 270,388</u>	<u>\$ 37,136</u>	<u>\$ 5,436,222</u>
Segment income (loss) (Note 2)	<u>\$ 284,923</u>	<u>(\$ 9,147)</u>	<u>\$ 69,573</u>	<u>(\$ 11,691)</u>	<u>(\$ 28,029)</u>	<u>\$ 305,629</u>

Note 1 : The Feeds segment includes operating revenue from discontinued operations.

Note 2 : The Feeds segment includes profit (loss) from discontinued operations.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The operating revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income to the income before tax from continuing operations for the three-month periods ended March 31, 2021 and 2020 is provided as follows:

	For the three-month periods ended March 31,	
	2021	2020
Reportable segment income	\$ 503,237	\$ 333,658
Other segment loss	(27,772)	(28,029)
Total segment	475,465	305,629
Interest expense	(17,750)	(22,087)
Foreign exchange gains, net	11,306	2,050
Income before tax from discontinued segment	-	3,000
Income before tax from continuing segment	<u>\$ 469,021</u>	<u>\$ 288,592</u>