

## Chapter 1: Company and Plant Outline

### 1.1 CPF (Thailand) Public Company Limited

#### 1.1.1 Introduction of Enterprise Group

CPF (Thailand) Public Company Limited operates integrated agro-industrial and food business, including livestock and aquaculture such as swine, broiler, layer, duck, shrimp and fish. The businesses are categorized into 4 categories, namely Feed, Farm, Food and Retail & Foods outlets as shown in Figure 1-1-1.

1. Feed business involves feed manufacturing and distribution.
2. Farm business involves animal breeding, animal farming and primary processing.
3. Food business involves production of cooked and ready meal products.
4. Retail and Foods outlets business, involves its operation and channel distribution.

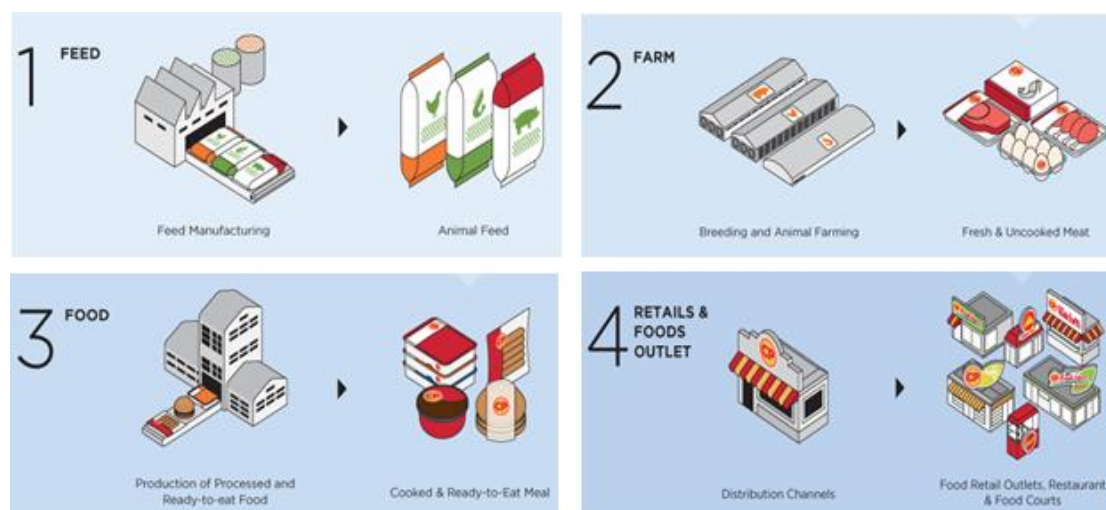


Figure 1-1-1: Four categories of CPF businesses.

#### 1.1.2 Profile of the Company

CPF is one of the subsidiaries in C.P. Group, initially operated in animal feed industry in Thailand and registered as a limited company in 1978 under the name “Charoen Pokphand Feed Mill Company Limited”.

Afterward, we were continuously expanded our business to all region in Thailand and in 1987, CPF was listed ordinary shares on the Stock Exchange of Thailand (SET) with the trading symbol “CPF”. as shown in Figure 1-1-2.



Figure 1-1-2: 4 CPF Trading Symbol.

### 1.1.3 Brief History

Between 1988 and 1999, the C.P. Group consolidated all its agro-industrial business units into a single entity, now known as Charoen Pokphand Foods Public Company Limited. The company announced its vision of becoming the "Kitchen of the World" and introduced its core value, the CPF Way, as shown in Figure 1-1-3.

In 2002, the company expanded its operations internationally, leveraging its expertise in modern integrated agro-industrial businesses. As a result, Charoen Pokphand Foods Public Company Limited now operates in 16 countries worldwide.

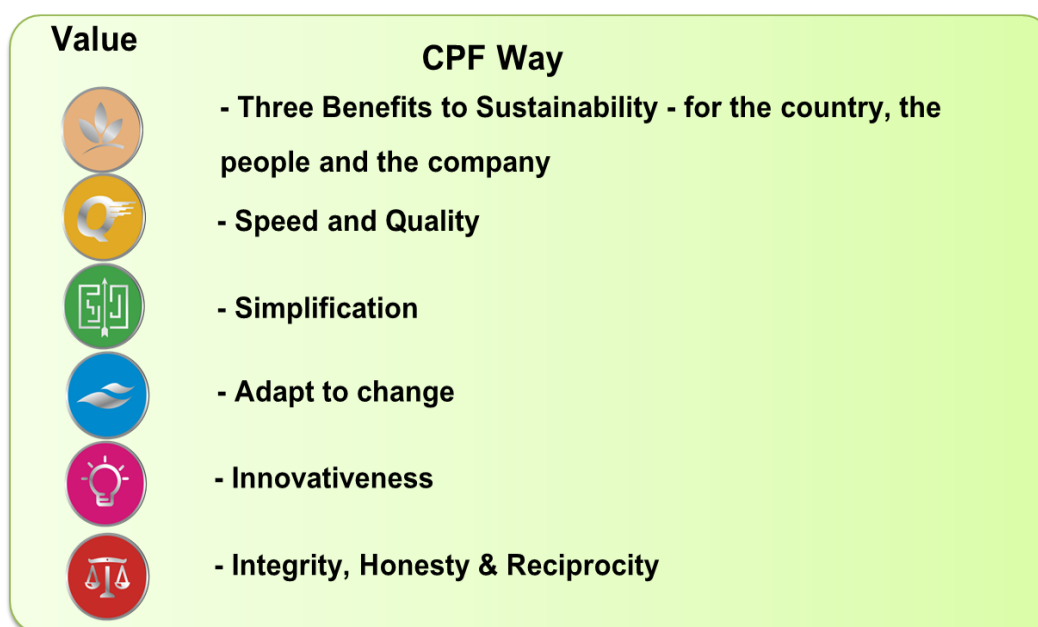


Figure 1-1-3: CPF Way.

Additionally, we developed its own brand, began producing value-added products such as snacks and ready-to-eat meals, and expanded its distribution channels by developing retail businesses, restaurants, and food courts.

In 2011, the company was renamed from Charoen Pokphand Foods Public Company Limited to CPF (Thailand) Public Company Limited.

### CPF's Missions

CPF has operates integrated agricultural industry and food businesses. Our focus is on delivering high-quality products and services. We are dedicated to developing our business in strategic sectors, by employing modern production processes that adhere to international standards. Our commitment extends to utilizing resources efficiently and sustainably, ensuring environmentally responsible practices.

CPF aim to enhance our competitive position to lead the industry while delivering suitable returns for our shareholders. Our approach is centered on considering the interests of all stakeholders to ensure sustainable growth.

### 1.1.4 CPF Organization

The shareholders of CPF Company have appointed 15 members to the CPF's board of director, with Mr.Suphakit Chearavanont serving as Chairman of the Board. The Board is responsible for overseeing and conducting business operations with integrity and fairness, as shown in Figure 1-1-4. The Executive Committee has appointed a Chief Executive Officer (CEO) and a Chief Operating Officer (COO) to oversee the operations and establish company policy.

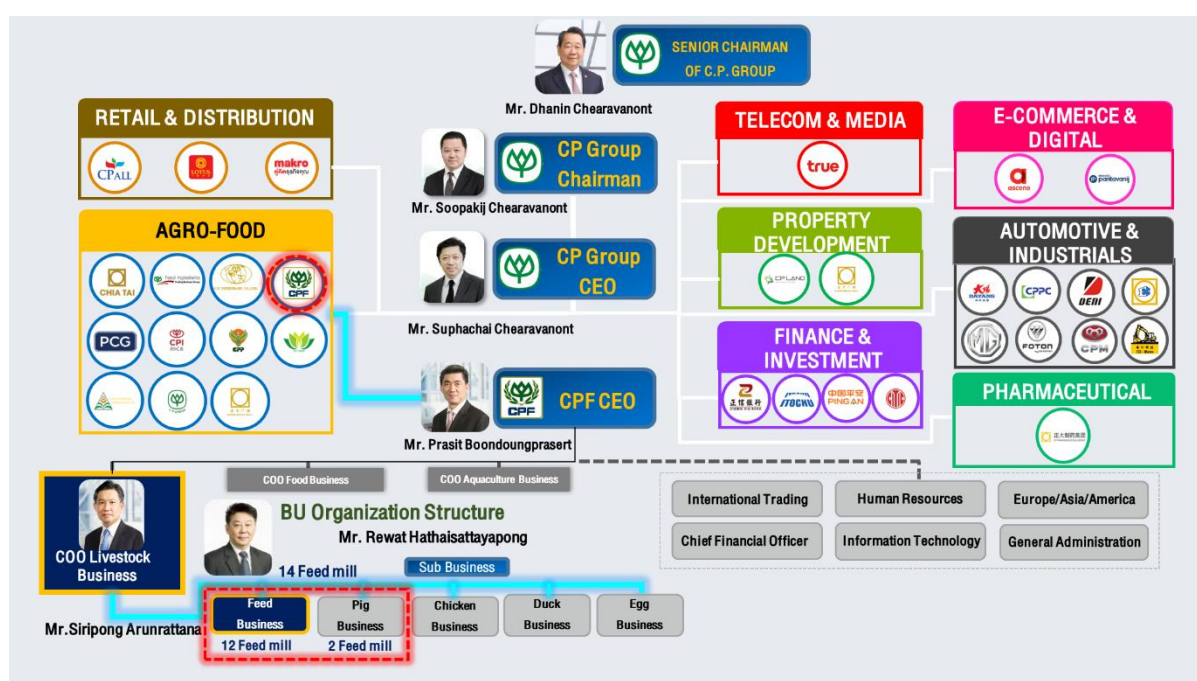


Figure 1-1-4: CPF's Board of Director

### CPF's Policy

1. Strive for global organization by enhance the operation performance.
2. Expand vertically integrated agro-industrial and food business.
3. The leader of high-quality food products and services.
4. Innovative and effectiveness creators.
5. Develop employees' capability.
6. Operate the business with strict adherence to corporate social responsibility and environmental conservation.

### 1.1.5 Agro-Feed Business Unit

CPF Livestock Feed Business Unit has established 12 factories across Thailand, with the 12th factory inaugurated in January 2015. These feed mills collectively boast an annual production capacity of 6.6 million tons, designated for domestic distribution. The business unit is led by Mr. Rewat Hathaisattayapong, with Mr. Boonserm Charoenwat serving as the Senior Director of Feed Processing Management Business, as shown in Figure 1-1-5 and Figure 1-1-6.

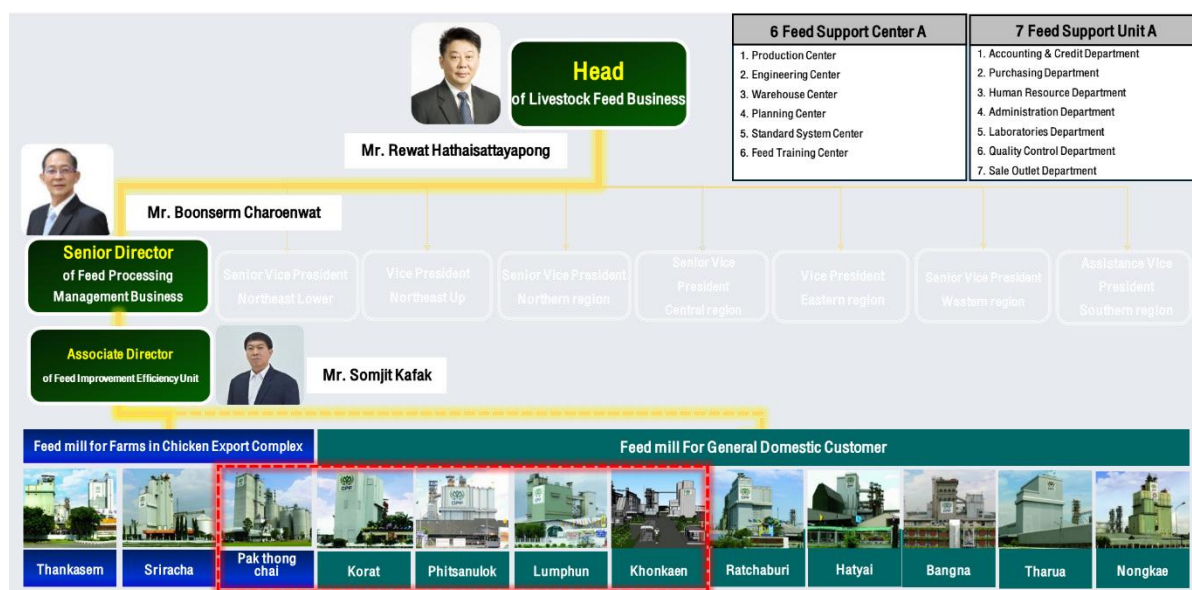


Figure 1-1-5: CPF's Agro-Feed Business

Start Year	Feed mill / Capacity (Thousand Ton) / Year		Start Year	Feed mill / Capacity (Thousand Ton) / Year
1	1974 BKF / 600	<div>14</div> <div>Feed mill</div> <div>Capacity</div> <div>7.6</div> <div>Million Ton /Year</div>	8	1990 RBF / 700
2	1978 LPF / 350		9	1991 BPF / 650
3	1980 SRF / 500		10	2001 TRF / 400
4	1981 HYF / 350		11	2004 PTF / 800
5	1985 KRF / 500		12	2014 KKF / 500
6	1987 PLF / 650		Pig Business	
7	1989 TKF / 700		13	2020 KBF / 350
			14	2022 SKF / 540

Figure 1-1-6: 12 Agro-feed mills of CPF.

## 1.2 Pak Thong Chai Feed Mill (PTF)

### 1.2.1 Brief History

Pak Thong Chai Feed Mill (PTF), established in 2004, is the 11th Argo-feed mill in the Livestock Feed business. Leveraging extensive experience in animal feed production and integrating advanced technology, we are dedicated to producing high-quality feed product for animal health and performance. PTF is strategically situated in a high-potential business area, near both raw material sources and the integrated chicken processing farms. This advantageous location has contributed to the factory's impressive annual sales revenue of 6.8 billion baht.

### 1.2.2 PTF Organization

PTF organizational structure, as shown in Figure 1-2-1, is led by the Assistant Director, who sets policies and oversees the overall operations, supported by Main Department Managers, including Production and Engineering, Warehouse, Planning, Safety, Technology and Digital each ensuring efficient operations within their respective units. In addition, PTF also has support units including Accounting, Purchasing, Administration, Sales, Quality Control and Human Resources departments, which are involved in the overall operation under the other chain of command than the Assistant Director of PTF.

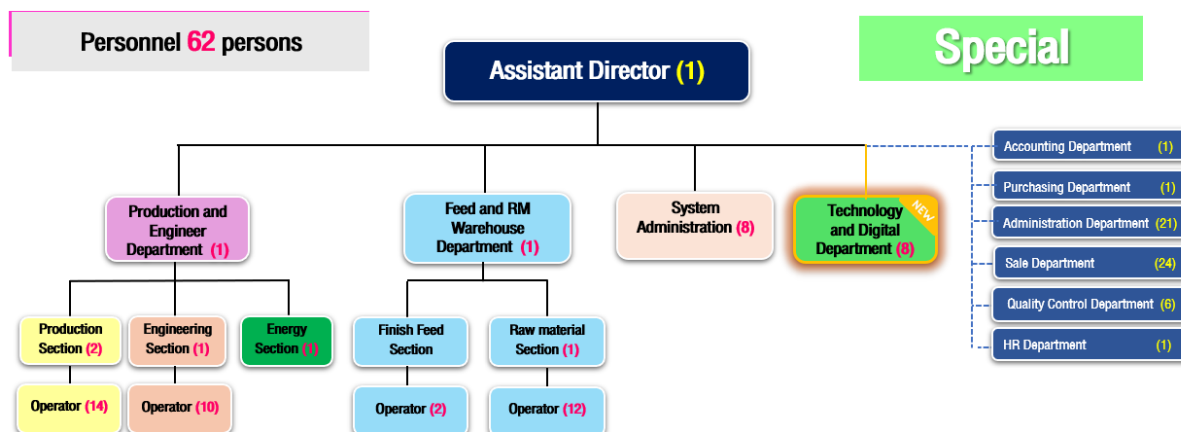


Figure 1-2-1: PTF organization.



### 1.2.3 Plant Layout

Pak Thong Chai Feed Mill is organized to prevent cross-contamination, as shown in Figure 1-2-2, which is divided into three main areas:

1. **Front Area:** This area houses the raw material quality laboratory, parking, and loading/unloading areas for raw materials. All transport vehicles must pass through a disinfection facility before entering the feed mill area.
2. **Production Area:** This section includes facilities for production processes, such as boilers, dryers, raw material storage bin, production buildings, finished feed storage tanks, and truck scales.
3. **Residential and Green Space:** The final area is designated for staff housing and green spaces, providing a comfortable environment for employees.

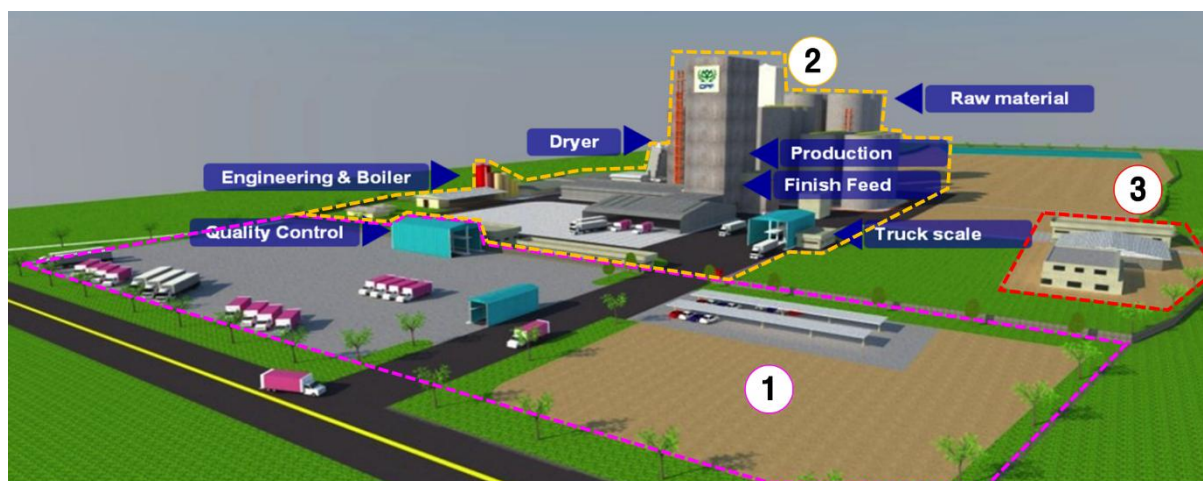


Figure 1-2-2: PTF plant layout.

### 1.2.4 Size of Business

PTF is part of a fully integrated chicken processing business, covering all stages of production from upstream to downstream. This includes animal feed manufacturing, farming, and processed food for export, as shown in Figure 1-2-3.

The integrated businesses enhance supply chain efficiency by streamlining management, which helps reduce costs and eliminate unnecessary expenses to enhance the competitive potential of high-value downstream businesses, which are exporting food products.

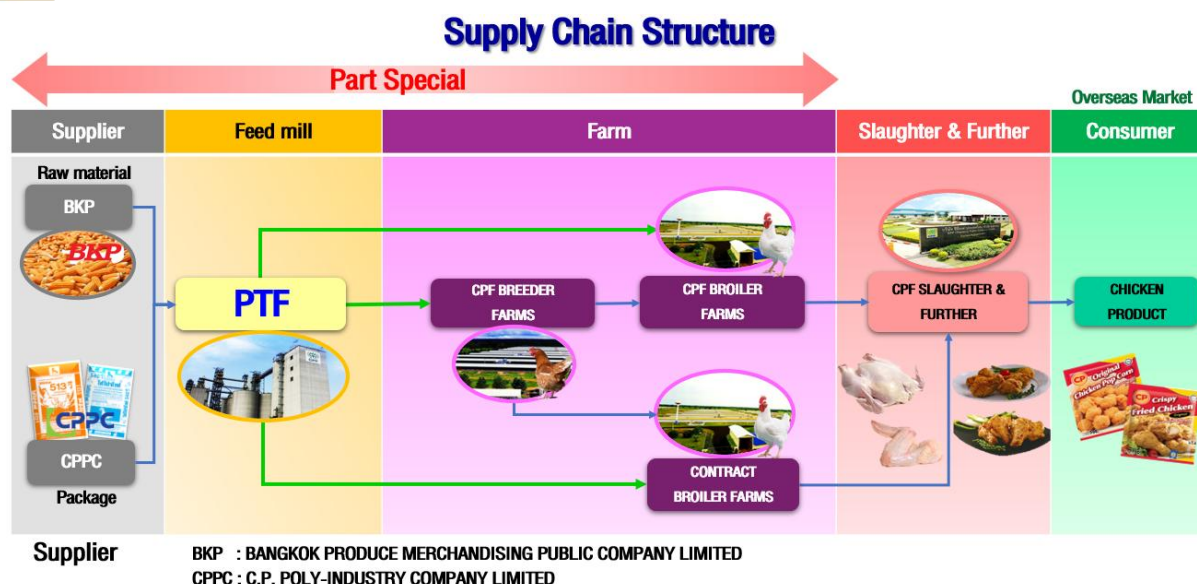


Figure 1-2-3: Value Chain of the chicken processing business integration

## Employee Structure and Future Expectations

PTF's workforce structure, as shown in Figure 1-2-7, comprises two distinct groups: first is the Standard shift employees (08:00 to 17:00) and the second is Rotating shift employees (three 8-hour shifts per day). Following the implementation of the Total Productive Maintenance (TPM), which has significantly enhanced our operational efficiency and processes, we've optimized our workforce. As a result, our employee count has been strategically reduced by 30%, from 89 to 62 personnel in 2025.

PTF's commitment to continuous improvement through TPM has resulted in a highly skilled and adaptable workforce. Looking ahead, our employee structure will evolve to leverage these strengths and propel us towards becoming "The Best Smart Feed Mill in Asia".

### Key Features of the Future Structure:

- **Multi-Skilled Teams:** We will move away from rigidly defined roles towards forming agile, cross-functional teams. These teams will combine expertise from different departments (e.g., production, maintenance, quality) to enhance problem-solving, innovation, and ownership of processes.
- **Empowered Decision-Making:** Teams will have increased autonomy to make decisions within their areas of responsibility, fostering a sense of ownership and driving faster responses to challenges and opportunities.

- **Digital Transformation:** We will invest in ongoing training programs to equip employees with the evolving skills needed in a smart feed mill environment, including digital literacy, data analysis, and advanced problem-solving.

This vision of a multi-skilled with empowered decision-making and digital transformation workforce aligns perfectly with our goal of delivering high-quality products, exceeding customer expectations, and solidifying PTF's position as a leader in the animal feed industry. These initiatives will contribute to achieving the goals in all aspects, including providing high-quality products that meet customer demands and generating value across the entire supply chain, to aim for “Leadership in the animal feed industry”.

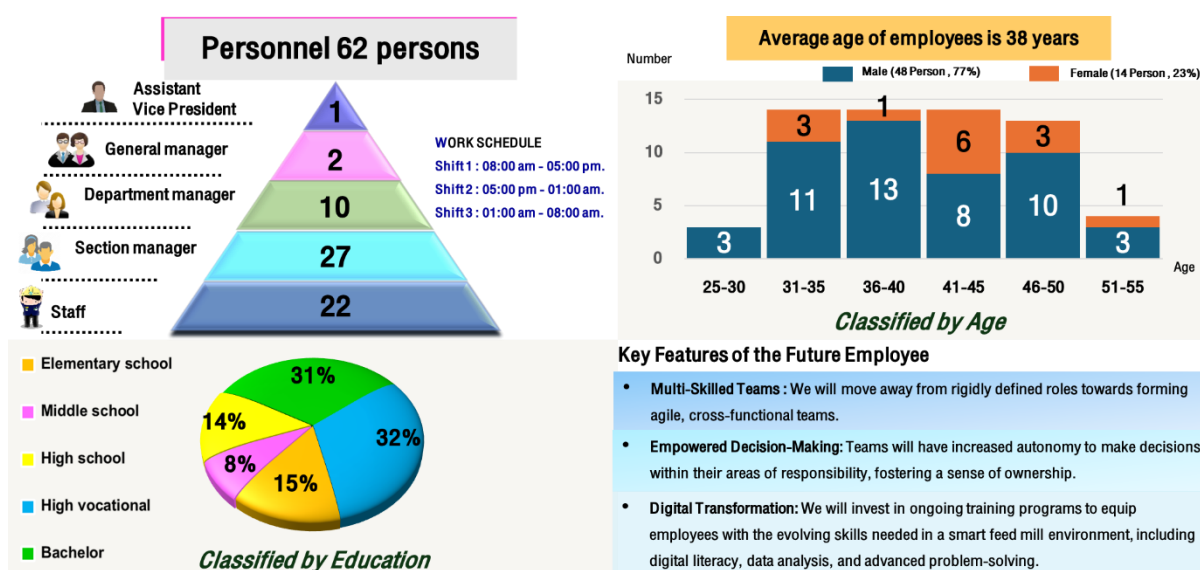


Figure 1-2-7: PTF manpower profile.

### 1.3 Production Systems

The operational structure of PTF is comprised of core production departments and supporting units. This organizational framework is shown in Figure 1-3-1.

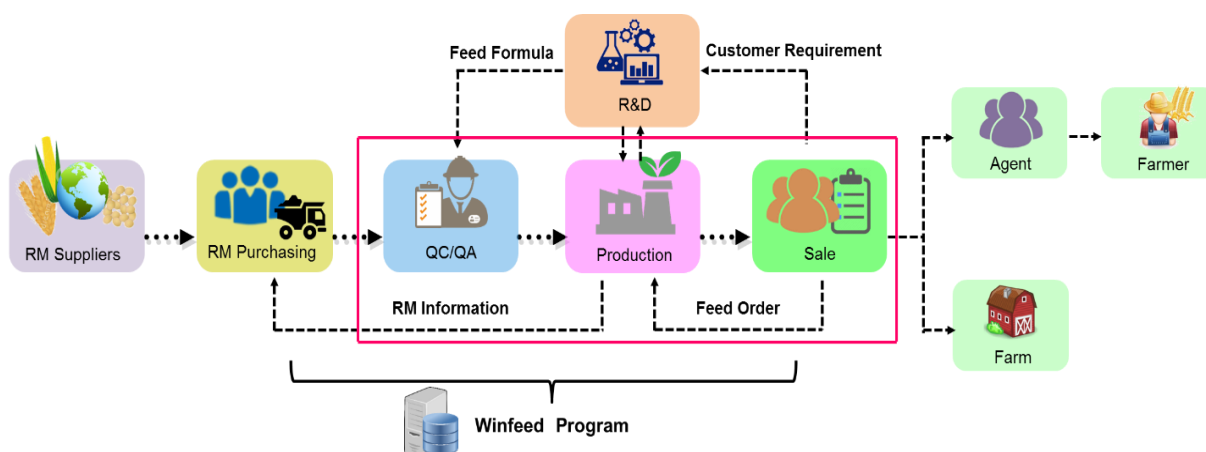


Figure 1-3-1: PTF production systems.



Our comprehensive operational process ensures quality at every stage, instilling confidence that our products consistently meet the standards and fulfill customer requirements. All raw materials must pass the rigorous quality inspection prior to use in production. Raw material data is managed through the Smart Soft Feed (the CPF Enterprise Resources Planning : ERP) for optimal traceability and efficiency.

### Key Operational Departments:

1. **Raw Material Procurement:** Carries out the procurement of high-quality and cost-effective raw materials from both domestic and international sources, with purchasing plans primarily based on past sales data.
2. **Research and Development:** Feed Technical Office formulates feed compositions followed to customer requirements, providing feed formulas to PTF.
3. **Production Planning:** Plan production to align with orders, forecasted sales, and projected raw material requirements.
4. **Raw Material Warehouse:** Responsible for receipt, storage, and condition management of raw materials.
5. **Production:** Quality control is implemented to ensure that all products meet production standards, with manufacturing carried out on a make-to-order basis.
6. **Quality Control & Quality Assurance (QC & QA):** Conducts thorough quality inspections throughout the process, from raw materials to final products, ensuring adherence to quality and safety standards.
7. **Finished Feed Warehouse:** Manages the storage and coordinates timely delivery of animal feed products to customers.
8. **Sales & Service:** Focuses on excellent customer service to take care the loyalty, while also overseeing the maintenance and management of silo feed transport vehicles.

## 1.4 Main Products, Production Process, Lead Time

### 1.4.1 Main Products

The PTF produces three main product lines: broiler feed, breeder feed, and duck feed. Broiler feed accounts for the largest share of sales at 70%, followed by breeder feed at 24% and duck feed at 6%. A detailed breakdown of each product line is presented in Figure 1-4-1.

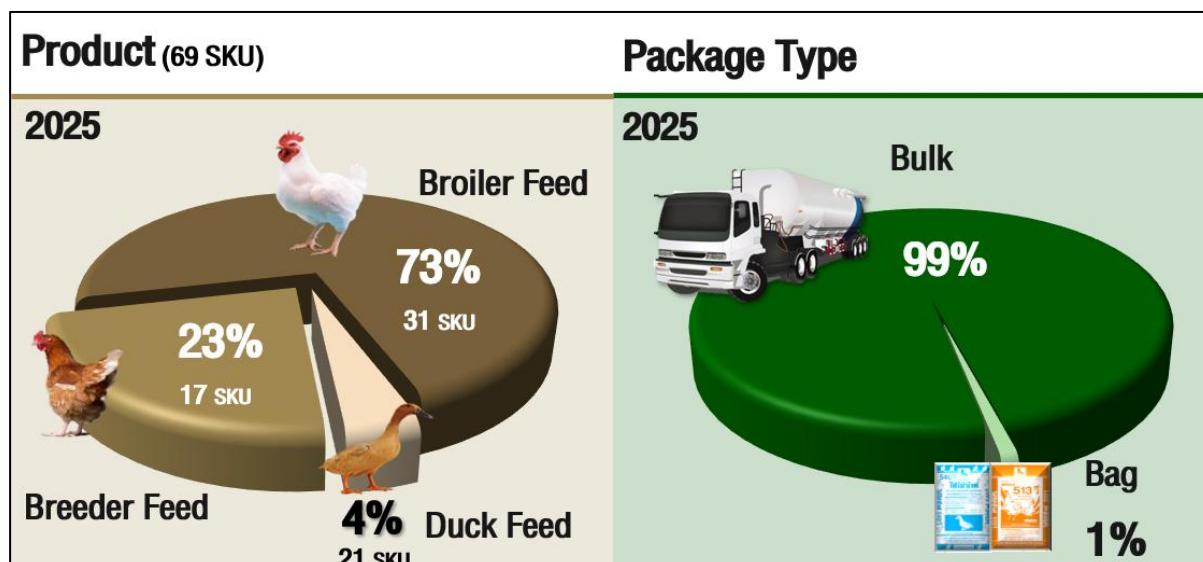


Figure 1-4-1: PTF Main products

### 1.4.2 Production Process

CPF employs a centralized procurement strategy for sourcing critical raw materials from both domestic and international suppliers to support our animal feed production. Prior to incorporation into the production process, each raw material undergoes rigorous quality testing in our advanced laboratory facilities. Raw materials with excess moisture are subjected to a specialized drying process to achieve optimal moisture levels before storage. The raw materials meeting moisture specifications are directly transferred to dedicated storage bins. our entire raw material conveying system operates as a closed-loop, effectively mitigating the risk of cross-contamination.

The animal feed production process, as shown in Figure 1-4-2. The production process starts with reducing the size of the raw materials to suitable for each animal type through the grinding process. After that, the raw materials after grinding are weighed according to the formula which is controlled by computer system for accuracy and precision. Then enter the mixing process to mix all ingredients are thoroughly blended to ensure uniformity. Then pass through the Feed Cleaner to screen out foreign objects before being pressed into pellets in the pelleting process.

In pelleting process, steam is injected into the process to cook and sanitize. As a result, the feed is at high temperature, so the temperature and humidity must be reduced by Cooler.

Some animal feed will be resized by Crumble to meet the standard size. The non-standard size will be separated through Screener to be reprocessed. While the standard size feed will be transported to the finished feed storage bin to be delivered to customers by both feed truck and feed bag.

### All SKUs are proceeded through the same process and machines.

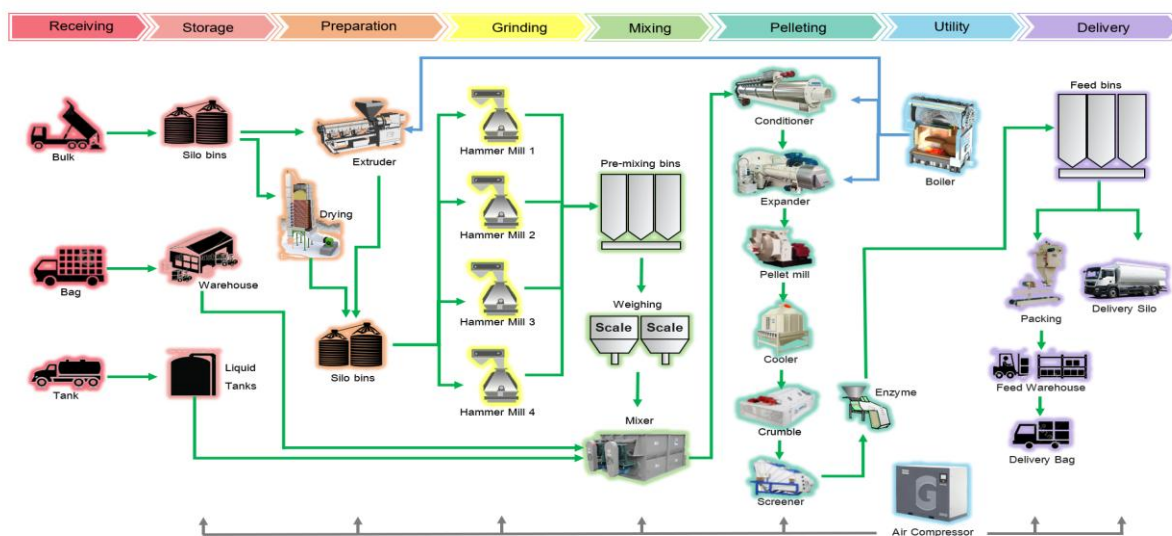


Figure 1-4-2: Production process.

## 1.5 Position of Your Company within Industry

CPF has approximately 36% of Thailand's animal feed sales volume, maintaining market leadership over its major competitors, as shown in Figure 1-5-1. Among CPF's network of 12 animal feed mills, PTF demonstrates the highest production volume.

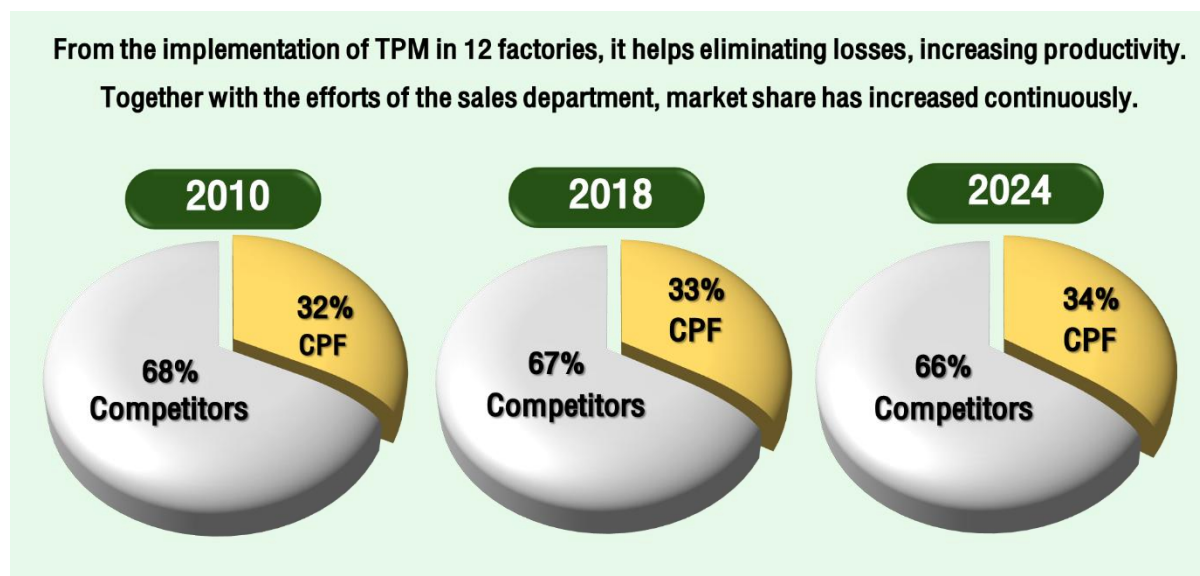


Figure1-5-1: CPF, PTF feed sale market share.

## 2. Milestone on the Journey of Manufacturing Excellence

TPM was introduced in the Pak Thong Chai Feed Mill (PTF) in 2011. Until then, machine maintenance focused on cleaning without inspecting the machines because employees lacked in-depth knowledge of the machines and operating skills. Maintenance, thus resulting in the maintenance activities not being successful. However, after TPM was introduced into PTF, a new policy was announced by applying TPM-JIPM to develop the skills of employees. Increase the ability to eliminate losses and create a system to prevent problems from reoccurring.

Operating according to the JIPM guidelines from improving according to indicators, in 2015, Pak Thong Chai Feed Mill submitted a request for TPM Excellence Award Category A. evaluation, and in 2018, requested for TPM Consistency Award evaluation, which was received Awards in that year.

However, Pak Thong Chai Feed Mill still adheres to its plan “Best Smart Feed Mill in Thailand”. The management team reviews past operating results and found that some indicators did not meet the target. Therefore, improvements must take place that are not yet met the target. Suggestions from auditors and implementing organizational policies such as reducing production costs and creating sustainability for the organization.

Continuous improvement has led to the achievement of TPM's objectives and goals. In addition, the Senior Director of Livestock Feed Business Process Management, TPM Head Quarter Support Team and PTF management team have continuously monitored the operations. And concluded that we would like to submit an assessment TPM Award for Special Award.

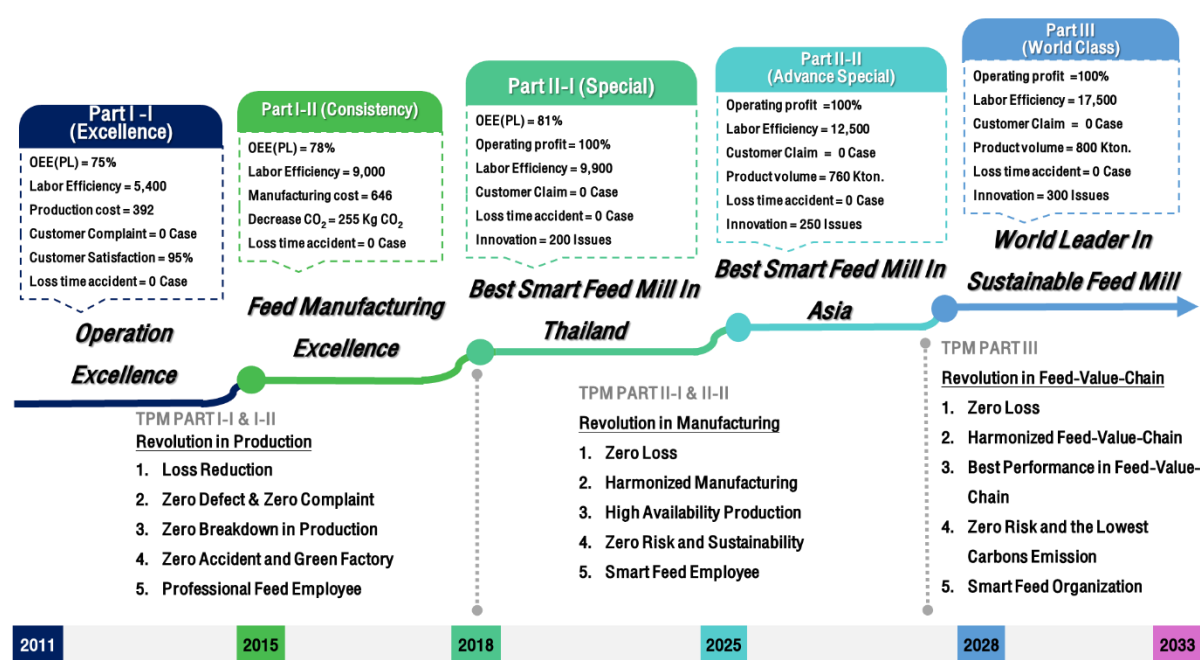


Figure1-6-1: PTF roadmap.

### 3. Benefit Achieved

#### Tangible result

Category	Index	Unit	Benchmark (2018)	Actual Status 2025
M	Accumulate number of Innovation	Issue	5	67
	Accumulate number of Digital Transformation Project	Issue	0	53
	Number of Innovator/Digital Developer	Person	5	38
S	Loss time Accidents	Case	0	0
	Non loss time Accidents	Case	0	0
Q	Defect (In line)	Ton	1,102	272
	Customer complaint	Case	5	0
P	Labor productivity	Ton/staff/year	8,635	9,775
	% OEE (Pellet mill)	%	75	82.16
	Break Down (Rank A,B)	Case	0	0
C	Operating expense	Baht/ton	570	540
	% Yield	%	98.91	99.44
	% Profit of target	%	100	100.18
D	On time in full Delivery	%	88.5	94.8
	Customer lead time	Hr.	23.80	7.31
	Raw Material Logistic lead time	Hr.	82	74
E	Community satisfaction	%	85	100
	Decrease CO2	Kg CO2/ Ton	15.50	14.29

#### Intangible result

##### Personal

- Employee experience working as a team and learning organization
- Employee have developed their skills to Innovative thinking

##### Management System

- Employees and all levels of managers engaged and encouraged the improvement in budget and knowledge.
- Build a faithfulness in management and improvement system for business enterprises.

##### Workplace

- A safe, convenient, pleasant, and desirable workplace.
- Machines are easy to use, easy to control, and require fewer people.



#### 4. Key of our Manufacturing Excellence

CPF's animal feed production business has set a goal to develop its animal feed factory to be Smart Feed Factory with digital technology. To raise the level to an organization that is excellent in technology. Therefore, Pak Thong Chai Feed Mill focuses on developing employees' abilities in digital technology, both as software developers and users. From transforming the knowledge gained from work experience into intelligent software. Allows machines to work automatically throughout every production process by applying artificial intelligence in processing to control the operation of machines efficiently. In addition, Pak Thong Chai Animal Feed Mill also emphasizes the use of digital technology to improve work process safety, reduce impacts on society and the environment.

#### 5. Future Plan

PTF aims to be World Leader in Sustainable Feed Mill through Sustainability Supply Chain and Net Zero Feed Manufacturing.

#### 6. Contact Person

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