

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related party transactions
5	Cash and cash equivalents
6	Inventories
7	Biological assets
8	Investments in subsidiaries
9	Non-controlling interests
10	Investments in associates
11	Investments in joint ventures
12	Investment properties
13	Property, plant and equipment
14	Leases
15	Goodwill
16	Other intangible assets
17	Interest-bearing liabilities
18	Treasury shares
19	Accounts payable - trade and others
20	Provisions for employee benefits
21	Surplus (deficit) and legal reserve
22	Subordinated perpetual debentures
23	Segment information and disaggregation of revenue
24	Management and employee benefit expenses
25	Expenses by nature
26	Income tax
27	Earnings (losses) per share
28	Dividends
29	Financial instruments
30	Capital management
31	Commitments with non-related parties
32	Events after the reporting period

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 27 February 2024.

1 General information

Charoen Pokphand Foods Public Company Limited, the “Company”, is incorporated in Thailand on 17 January 1978 and has its registered head office at 313 C.P. Tower, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 21 December 1987.

The principal activities of the Company and its subsidiaries (together referred to the “Group”) are operating in agro-industrial and integrated food businesses.

The Group’s business operations are located throughout Thailand and overseas. The businesses are divided into 2 main segments as follows:

- 1) The livestock business comprises chicken, duck and pigs
- 2) The aquaculture business comprises shrimp and fish

The Group’s two main businesses are vertically integrated, starting from sourcing of raw materials for animal feed production, manufacturing animal feed, breeding animals, farming animals for commercial purposes, primary processing meat, producing ready-to-eat food products, and including operating food retail outlets and restaurants. The Group’s main products are divided into 3 main categories as follows:

- 1) Animal feed
- 2) Animal farm products such as animal breeder, live animal and primary processing meat, etc.
- 3) Processed foods and ready meals

Details of the Company’s subsidiaries as at 31 December were as follows:

Name of the entity		Type of business	Country of incorporation	Ownership interest (%)	
				2023	2022
Thailand operations and businesses related to operations in Thailand					
Livestock business					
Direct subsidiaries					
1)	Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution	Thailand	99.44	99.44
2)	CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.99	99.99
2.1)	CP Hilai Habour Co., Ltd.	Restaurant business	Thailand	99.99	99.99
2.2)	Dak Galbi Group Co., Ltd.	Restaurant business	Thailand	99.98	59.99
2.3)	Tacham Agricultural Industry Co. , Ltd.	Production and sale of swine breeders	Thailand	79.99	79.99
2.4)	Suansomboon Co., Ltd.	Agricultural plant farming	Thailand	99.99	99.99

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
2.5) Berice LLC	Investment in restaurant	United States of America	99.99	99.99
2.5.1) Yipeng, LLC	Restaurant business	United States of America	99.99	99.99
<i>Direct and indirect subsidiaries</i>				
1) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
1.1) CPF Global Food Solution Public Company Limited (Formerly known as CPF Trading Company Limited)	Distributor of food products	Thailand	99.98	99.98
1.1.1) Chester's Food Co., Ltd.	Restaurant business	Thailand	99.97	99.97
1.1.2) CPF Food Network Co., Ltd.	Exporter and importer of processed food, including RTE products	Thailand	99.97	99.97
1.1.3) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurant	Thailand	99.97	99.97
1.1.4) CP-Uoriki Co., Ltd.	Importer and distributor of seafood products, ready-to-cook, and ready meal	Thailand	59.98	-
1.1.5) International Pet Food Co., Ltd.	Production and sale of pet snack products	Thailand	99.97	99.97
1.1.6) C.P. Food Products, Inc.	Importer and distributor of seafood products, RTE products, and frozen fruit	United States of America	99.98	99.98
1.1.7) C.P. Food Singapore Pte Ltd.	Importer and distributor of fresh meat and processed food, including RTE products and seafood	Singapore	99.98	99.98
1.1.8) CPF Australia Pty Ltd	Importer/exporter and distributor of processed food, including ready-to-eat products	Australia	99.98	-
1.1.9) CPF Denmark A/S	Importer and distributor of fresh meat and processed food, including RTE products and frozen fruit	Denmark	51.99	51.99
1.1.9.1) Kalino Food AB	Importer/exporter and distributor of fresh, chilled and frozen meat products	Sweden	31.19	15.08
1.1.10) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, fresh meat, processed meat, seafood, milk product and RTE products, frozen fruit, and investment	Hong Kong Special Administrative Region	99.98	99.98
1.1.10.1) Consumer Package Commerce Co., Ltd.	Importer and distributor of fresh meat and processed food	South Korea	99.98	99.98
1.1.10.2) CPF Europe S.A.	Importer and distributor of fresh meat and processed food, Including RTE products, dry food, ingredients, seafood, and investment	Belgium	99.97	99.97

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
1.1.10.2.1) Paulsen Food GmbH	Distributor of fresh meat, processed products, seafood and investment	Germany	99.97	99.97
1.1.10.2.1.1) CPF Distribution GmbH	Distribution of ready meals	Germany	99.97	99.97
1.1.10.2.1.2) ZGG Verwaltungs GmbH	Investment	Germany	99.97	99.97
1.1.10.2.2) CP Foods (UK) Limited and subsidiaries	Importer, repacking services, and distributor of processed meat, including RTE products	United Kingdom	99.97	99.97
1.1.10.2.2.1) The Foodfellas Limited	Importer/exporter and distributor of ingredients, food products and frozen fruit	United Kingdom	99.97	99.97
1.1.10.2.3) Westbridge Food Group Limited	Investment	United Kingdom	99.97	99.97
1.1.10.2.3.1) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.97	99.97
1.1.10.2.3.2) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.97	99.97
1.1.10.2.3.3) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.97	99.97
1.1.10.2.3.4) Westbridge Holding B.V. ⁽³⁾	Investment	Netherlands	-	99.97
1.1.10.2.3.5) Westbridge Foods (France) SARL	Distribution of meat products	France	99.97	99.97
1.1.10.2.3.6) Food Trac Limited	Distribution of meat products	United Kingdom	99.97	99.97
1.2) CPF Food and Beverage Co., Ltd.	Production and distributor of ready meals	Thailand	99.98	99.98
1.3) C.P. Foods Holdings Limited	Investment	British Virgin Islands	99.99	99.99
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	99.99
Overseas operations				
Direct subsidiaries				
1) Bellisio Investment, LLC	Investment	United States of America	100.00	100.00
1.1) Bellisio Parent, LLC ⁽²⁾	Investment	United States of America	100.00	100.00
1.1.1) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.2) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.3) FSI Parent Corp.	Investment	United States of America	100.00	100.00

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
1.1.3.1) Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.4) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) The All American Gourmet Company ⁽²⁾	Production and distributor of ready meals	United States of America	100.00	100.00
2) C.P. Aquaculture (Hainan) Co., Ltd. ⁽²⁾	Aquaculture farming and hatchery business	China	100.00	100.00
3) C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
4) CP Foods Capital Limited	Investment	British Virgin Islands	100.00	100.00
5) Charoen Pokphand Foods Kenya Co., Ltd. ⁽²⁾	Animal feedmill and livestock farming	Kenya	99.99	99.99
6) Chun Ta Investment Co., Ltd	Investment	Republic of China (Taiwan)	100.00	100.00
7) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
7.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
8) CPF Netherlands B.V	Investment	Netherlands	99.99	99.99
8.1) CP Chozen Limited ⁽⁴⁾	Investment	United Kingdom	-	79.99
8.1.1) Chozen Holdings Limited ⁽⁴⁾	Restaurant business	United Kingdom	-	79.99
8.1.2) Chozen Noodle Trading Limited ⁽⁴⁾	Property lease-out	United Kingdom	-	79.99
8.2) CPF Canada Holdings Corp	Investment in integrated swine business	Canada	99.99	99.99
8.3) RBPI AS (Formerly known as Russia Baltic Pork Invest AS)	Investment	Norway	75.82	75.82
8.3.1) Agro-Oskol CJSC	Agricultural plant farming	Russia	75.82	75.82
8.3.2) Agro-Ostrogorszhsk LLC	Agricultural plant farming	Russia	75.82	75.82
8.3.3) Agro-Sojuz TS LLC	Investment	Russia	75.82	75.82
8.3.4) Alekseevskiy Kombikormovy Zavod CJSC	Animal feedmill	Russia	75.82	75.82
8.3.5) Alekseevsky Bekon JSC	Livestock farming	Russia	75.82	75.82
8.3.6) APK Don LLC	Management and advisory service	Russia	75.82	75.82
8.3.7) Chochol Trostjanka LLC	Agricultural plant farming	Russia	75.82	75.82
8.3.8) Donskoy Bekon LLC	Livestock farming	Russia	75.82	75.82
8.3.9) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
8.3.10) Finagro ASP	Financial service	Denmark	75.82	75.82
8.3.11) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.12) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
8.3.13) Mjaso-Sojuz T LLC	Investment	Russia	75.82	75.82
8.3.14) MPK Belgorod LLC	Investment	Russia	75.82	75.82

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
8.3.15) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.16) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.17) Pravdinsk Pig Production Joint Stock Company	Livestock farming	Russia	75.82	75.82
8.3.18) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
8.3.19) RBPI Elite Seeds LLC	Production of elite seeds	Russia	75.82	75.82
8.3.20) RBPI Partner East LLC	Slaughterhouse	Russia	75.82	75.82
8.3.21) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	75.82
8.3.22) RBPI Voronezh LLC	Investment	Russia	75.82	75.82
8.3.23) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
8.4) Tops Foods NV	Production and distributor of ready meals	Belgium	89.69	89.69
9) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
9.1) CPF Culinar Sp. z o.o.	Production of seafood products	Poland	66.67	66.67
9.2) Food Port Sp. z o.o.	Distributor of seafood products	Poland	66.67	66.67
9.3) PetRepublic Ltd.	Production and sale of pet food	Poland	60.00	60.00
9.4) PLANT-TEC Europe Sp. z o.o.	Investment	Poland	66.67	66.67
10) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	100.00
11) Ta Chung Investment Co., Ltd.	Investment	Republic of China (Taiwan)	100.00	100.00
12) Stesha LLC	Investment	Russia	100.00	99.99
12.1) CP Foods Trading LLC	Importer and exporter of meat products	Russia	100.00	99.99
12.2) JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	100.00	99.99
12.3) JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	100.00	99.99
13) CPF Food Trading Co., Ltd. ⁽²⁾	Importer and distributor of processed meat and ready meals	China	100.00	100.00
Direct and indirect subsidiaries				
1) Charoen Pokphand Foods (Overseas) LLC	Animal feedmill and livestock farming	Russia	100.00	99.99
1.1) CPF Agro LLC	Livestock farming	Russia	100.00	99.99
1.2) CPF Foods LLC	Property lease-out	Russia	100.00	99.99
1.3) CPF Ryazan LLC	Livestock farming	Russia	100.00	99.99
1.4) CPF Serebryanie Prudy LLC	Livestock farming	Russia	100.00	99.99
1.5) CPF Construction LLC ⁽³⁾	Provision of consulting service on construction	Russia	-	99.99
2) Charoen Pokphand Foods Philippines Corporation	Production and sale of animal feed, farming and shrimp hatchery business	Philippines	99.99	99.99

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43
3.1) C.P. Enterprises Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.2) Chia Tai Biopharmaceutical (Fujian) Co., Ltd. ⁽¹⁾	Production and sale of drugs	China	35.17	35.17
3.3) Chia Tai Bio-Technology (Beijing) Co., Ltd.	Distributor of feedstuff additives	China	50.43	-
3.4) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.5) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.6) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.7) Golden Industrial Investment Limited	Investment	Hong Kong Special Administrative Region	50.43	50.43
3.8) Henan Chia Tai Biochemistry Trading Co., Ltd. ⁽¹⁾	Distributor of animal drugs	China	35.17	35.17
3.9) Pucheng Chia Tai Biochemistry Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
3.10) Shanghai C.P. Industrial Trading Co., Ltd. ⁽²⁾	Sale of machine and spare part	China	50.43	50.43
3.11) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽¹⁾	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Aquaculture (India) Private Limited	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	India	75.00	75.00
5) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	76.24	76.24
5.1) Advanced Aquaculture Viet Nam Co., Ltd.	Aquaculture farming	Vietnam	83.18	83.18
5.2) AHM Lifestyles - Creative Hospitality Joint Stock Company	Restaurant business	Vietnam	62.43	62.43
5.2.1) AHM Lifestyles Pte Ltd	Restaurant consulting service	Singapore	62.43	-
5.3) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	76.24	76.24
5.4) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China	76.24	76.24
5.5) C.P. Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	China	76.24	76.24
5.6) C.P. Aquaculture (Zhanjiang) Co., Ltd.	Shrimp hatchery business	China	76.24	76.24
5.7) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food, processed meat, and ready meals	China	76.24	76.24
5.8) C.P. Food (Hengshui) Co., Ltd. ⁽⁵⁾	Production and sale of processed food	China	-	76.24

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
5.9) C.P. Food (Kaifeng) Co., Ltd. ⁽⁵⁾	Production and sale of processed food	China	-	76.24
5.10) C.P. Food (Nantong) Co., Ltd. ⁽⁵⁾	Production and sale of processed food, processed meat, and ready meals	China	-	76.24
5.11) C.P. Food (Zhanjiang) Co., Ltd. ⁽⁵⁾	Production and sale of processed food	China	-	76.24
5.12) C.P. Standard Resources Limited	Investment	Hong Kong Special Administrative Region	76.24	76.24
5.13) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	83.18	83.18
5.14) C.T. Progressive (H.K.) Limited	Investment	Bermuda	76.24	76.24
5.15) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	76.24	76.24
5.16) Chia Tai (Beijing) Investment Management Co., Ltd.	Management and advisory service	China	76.24	76.24
5.17) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	76.24
5.18) Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	76.24
5.19) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	76.24	76.24
5.20) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong Special Administrative Region	76.24	76.24
5.21) CP China Investment Limited	Investment	Cayman Islands	76.24	76.24
5.22) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	76.24
5.23) CP Food Investment Limited	Investment	Hong Kong Special Administrative Region	76.24	76.24
5.24) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	83.18	83.18
5.25) Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	China	76.24	76.24
5.26) Dzine Food Solutions Company Limited	Restaurants and mobile catering services	Vietnam	83.18	83.18
5.27) Fujian Chia Tai Food Co., Ltd.	Sale of poultry meat products	China	53.37	53.37
5.28) Fujian Hetai Agro-Industry Co., Ltd.	Farming and sale of poultry	China	53.37	53.37

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
5.29) Hannick Limited	Property investment	Hong Kong Special Administrative Region	76.24	76.24
5.30) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	76.24	76.24
5.31) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	76.24	76.24
5.32) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	76.24	76.24
5.33) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food, processed meat and ready meals	China	76.24	76.24
5.34) Longyan Baotai Agro-Industry Co., Ltd.	Farming and sale of poultry	China	53.37	53.37
5.35) Longyan Chia Tai Co., Ltd.	Production of processed poultry meat	China	53.37	53.37
5.36) Modern State Investments Limited	Investment	British Virgin Islands	76.24	76.24
5.37) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	China	76.24	76.24
6) CPF Tanzania Limited ⁽²⁾	Animal feedmill and livestock farming	Tanzania	99.99	99.99
7) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽¹⁾	Chicken integration and livestock farming	Republic of China (Taiwan)	39.00	39.00
7.1) Arbor Acres (Taiwan) Co., Ltd. ⁽¹⁾	Livestock farming	Republic of China (Taiwan)	19.50	19.50
7.2) Charoen Pokphand (Taiwan) Co., Ltd. ⁽¹⁾	Importer and distributor of feedstuff additives and animal vaccines	Republic of China (Taiwan)	35.10	35.10
7.3) Chia Tai Lianyungang Co., Ltd. ⁽¹⁾	Investment	Hong Kong Special Administrative Region	39.00	39.00
7.4) Plenty Type Limited ⁽¹⁾	Investment	Cayman Islands	39.00	39.00
7.5) Rui Fu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	19.89	19.89
7.6) Rui Mu Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	26.52	26.52
7.7) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	16.07	14.92

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
Indirect subsidiaries				
1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2) C.P. Cambodia Co., Ltd.	Production and sale of animal feed, livestock farming and processed food	Cambodia	100.00	100.00
2.1) Cambodia Property and Trading Co., Ltd. ⁽¹⁾	Property lease-out	Cambodia	49.00	49.00
3) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
4) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	100.00	100.00
5) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
6) Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99
6.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
6.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
6.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
6.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
6.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
6.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
7) Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	Malaysia	100.00	100.00
7.1) Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
7.2) Charoen Pokphand Feedmills (M) Sdn. Bhd. ⁽³⁾	Production and sale of processing meat and livestock farming	Malaysia	-	100.00
7.3) Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	Malaysia	100.00	100.00
7.4) Linggi Poultry Farm (M) Sdn. Bhd. ⁽²⁾	Property lease-out	Malaysia	100.00	100.00
7.5) PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of animal feed, processed food and livestock farming	Malaysia	100.00	100.00
7.6) Teck Huat Farming Sdn. Bhd.	Livestock farming	Malaysia	100.00	100.00
8) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
9) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
9.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	75.00
9.2) CP Norfolk (India) Private Limited	Processed food business	India	87.99	-
10) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
11) CPVN Limited	Investment	British Virgin Islands	100.00	100.00

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
12) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
13) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
14) Norfolk Foods (Private) Limited	Production and sale of ready meals	Sri Lanka	80.00	80.00

- (1) The Group has the power to govern those companies
- (2) Operations wound up
- (3) Closed
- (4) Sold the entire shares of investment to a non-related party
- (5) Sold the entire shares of investment to a related party

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies described in note 3, have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The Federation of Accounting Professions has revised a number of TFRSs which are effective for annual accounting periods beginning on or after 1 January 2024, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance. The Group has not early adopted these TFRSs in the preparation of these financial statements. Currently, the Group is in the process of assessing the impact of Pillar Two income taxes on the financial statements.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method, other than business combinations with entities under common control, when the Group assesses that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group. All relevant facts and circumstances are considered in determining the acquisition date and determining whether control is transferred from one party to another. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. Expenses in connection with a business combination are recognised as incurred.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The Group elect to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill, at initial recognition, is measured at the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, when purchase price is more than the net fair value of the identifiable assets acquired and liabilities assumed. When purchase price is less than net fair value of the identifiable assets acquired and liabilities assumed, gain on bargain purchase is immediately recognised in profit or loss.

Any consideration/contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. In the event that contingent consideration is classified as asset or liability, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period by the subsequently obtained information, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Step acquisition

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. If subsidiaries of the Group use accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements to comply with the accounting policies of the parent in preparing the consolidated financial statements.

Losses in a subsidiary which related to non-controlling interests are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group’s interest in a subsidiary that does not result in a loss of control is accounted for as surplus/deficit from change in shareholders’ equity.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or the fair value.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently it is accounted for as new types of investment depending on the level of influence retained.

Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income, share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses, are eliminated in full in preparing the consolidated financial statements. Unrealised losses are not eliminated, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss or retained earnings.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in foreign currency translation differences in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the Group shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income.

A monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item and related hedging transactions are considered to form part of a net investment in a foreign operation and are presented in the same way as foreign exchange differences arising from translation.

(d) Financial Instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3 (f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value except for financial assets and financial liabilities that are not measured at fair value through profit or loss (FVTPL), and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Gain and loss on change in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at the fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts recognised in hedging reserve within shareholders' equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve is immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if there is significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

(d.6) Write-offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition and bank overdrafts that are repayable on demand.

Deposits that have a restriction on use are presented separately in the account “Restricted deposits at financial institutions” in the statement of financial position.

(f) Trade and other accounts receivable

Trade and other accounts receivable are recognised when the Group has an unconditional right to receive consideration and are stated at their invoice value less allowance for ECLs. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

The Group estimates lifetime ECLs, using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Finished goods, raw materials, chemicals, medicals and supplies are measured principally at the lower of average cost and net realisable value.

Work in progress is measured principally at the lower of cost and net realisable value.

Cost comprises direct costs incurred in acquired the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) *Biological assets*

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consisting of swine breeders, are separately presented under the caption “Non-current assets”. Other biological assets are presented under the caption “Current assets” in the statement of financial position.

(i) *Non-current assets classified as held for sale*

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties, which continue to be measured under different rules in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) *Investment property*

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

Transfers to property and plant

Transfer from investment property to property and plant in use is measured at fair value at the date of change in use and remeasured in accordance with accounting policy of property and plant.

(k) *Property, plant and equipment*

Land used for operations is measured at revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Plant and equipment are measured at cost less accumulated depreciation and impairment losses except buildings and building improvements of animal feed product group and processed foods and ready meals product group which are measured at revalued amounts.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchase software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets approximated to that which would be determined using fair values at the reporting date.

Any increase in value net of deferred tax liability is recognised in other comprehensive income and presented in "Gain (loss) on revaluation of assets" in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. Any value of subsequent increase will credit to other comprehensive income only for the amount higher than the previous decrease in value.

A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in Gain (loss) on revaluation of assets are transferred to retained earnings.

Transfers to investment property

Transfers from owner-occupied property to investment property is measured at fair value of the property transferred at the date of the change in use. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the "Gains (losses) on revaluation of assets" in other components of equity. Any loss is recognised in other comprehensive income and presented in the "Gains (losses) on revaluation of assets" in other components of equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Transfer of revaluation surplus

The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on land and assets under construction.

The estimated useful lives are as follows:

Utilities system	2 - 40	years
Buildings and constructions	3 - 65	years
Building improvements and leasehold improvements	3 - 65	years
Water and electricity systems	3 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	2 - 20	years
Vehicles	2 - 25	years

(l) Goodwill

Goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill related to associates and joint ventures is included in the carrying amount of the investment in associates and joint ventures.

(m) Research and development

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(n) Other intangible assets

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life, from the date that they are available for use.

The estimated useful lives are as follows:

Development cost of software applications	3 - 20	years
Software licenses	3 - 20	years
Trademarks	2 - 21 years and indefinite useful life	
Customer relationship	10 - 15	years
Development cost of products	5, 15	years
Trademark licenses	15	years

(o) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases with less than 12 months of lease term and low value assets which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative stand-alone selling prices.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

(p) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment loss of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(q) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(r) Employee benefits

Post-employment benefit - defined contribution plans

Obligations for contributions to the Group's provident funds are recognised in profit or loss in the periods during which services are rendered by employees.

Post-employment benefit - defined benefit plans

The Group's net obligation in respect of defined benefit plans are calculated by using actuarial techniques and separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted by using the projected unit credit method to determine the present value of the defined benefit obligation and the current service cost.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

When the benefits of a plan are changed, the resulting change in benefit that relates to past service is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed in profit or loss at the earlier of:

- (1) When the Group can no longer withdraw the offer of those benefits or
- (2) When the Group recognises costs for a restructuring

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefit obligations are recognised in profit or loss in the periods during which services are rendered by employees.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(s) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Treasury shares

Treasury shares are the Company's ordinary shares held by the Company and subsidiaries and recognised as a deduction from equity at the consideration paid, including directly attributable costs. An equal amount repurchased by the Company is appropriated from retained earnings and taken to reserve for treasury shares within equity. When the treasury shares are sold, the Company will recognise the gain net of tax from the disposal as surplus and net losses of tax are debited to retained earnings after setting off against any remaining balance of surplus.

(u) Fair values measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(v) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and/or volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Other income

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Other operating income is recognised in profit or loss on the accrual basis.

(w) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the income tax of business combination or the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax

Current tax is recognised in respect of the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill which is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and the temporary differences associated with investment in subsidiaries, associates and joint ventures that is probable that it will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) Earnings (losses) per share

Earnings (losses) per share is calculated from the profit or loss attributable to ordinary shareholders of the Company less cumulative interest expense and related expenses (net of income tax) on subordinated perpetual debentures, divided by the weighted average number of ordinary shares held by third parties outstanding during year.

(y) Segment reporting

Segment results that are reported to the Group's management (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related party transactions

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly or joint control, to control the Group or exercise significant influence over the Group in making financial and operating decisions or where the Group and parties are subject to common control or common significant influence.

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited ("CPG") which directly and indirectly owned 45.38% of the Company's voting rights as of the latest closing date of shareholder register book on 9 May 2023.

4.1 Significant transactions with related parties for the years ended 31 December

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
(a) Income					
	Significant influence entity				
	Sale of goods	12	5	-	-
	Software application income	3	2	-	-
	Rental, service and other income	1	1	-	-
	Subsidiaries				
	Dividend income	-	-	8,234	19,599
	Sale of goods	-	-	6,417	5,459
	Interest income	-	-	621	697
	Rental, service and other income	-	-	191	169

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

				(Unit: Million Baht)	
		Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(a)	<i>Income (Continued)</i>				
	Associates, joint ventures and related companies				
	Sale of goods	81,439	69,140	1,273	2,741
	Rental, service and other income	567	362	31	42
	Software application income	178	158	-	-
	Interest income	157	109	-	-
	Dividend income	12	60	8	6
	Training and seminar income	15	11	-	-
(b)	<i>Expenses and others</i>				
	Significant influence entity				
	Purchase of raw materials and goods	11,885	12,143	2,234	2,699
	Trademark license fees	4,614	4,903	323	336
	Acquisition of trademark	159	-	-	-
	Technical service fees	108	120	-	-
	Subsidiaries				
	Purchase of raw materials and goods	-	-	1,685	1,609
	Interest expense	-	-	527	402
	Software application fees	-	-	178	178
	Training and seminar fees	-	-	29	24
	Cost of right-of-use assets	-	-	-	91
	Other expenses	-	-	47	53
	Associates, joint ventures and related companies				
	Purchase of raw materials and goods	71,283	58,241	1,232	1,207
	Transportation expenses	4,527	2,726	18	11
	Construction costs of buildings, structures and others	2,225	2,680	18	49
	Cost of right-of-use assets	1,355	847	95	231
	Rental and service fees	860	775	74	76
	Supply expenses	458	468	32	35
	Software application fees	362	316	-	-
	Purchase of equipment and others	248	222	37	25
	Training and seminar fees	253	267	10	13
	Sales promotion expenses	210	228	3	2
	Other expenses	540	586	82	70

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

4.2 Balances with related parties as at 31 December were as follows:

4.2.1 Accounts receivable - trade and others

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2023	2022	2023	2022
Significant influence entity	2	3	-	-
Subsidiaries	-	-	840	616
Associates and joint ventures	9,825	8,654	30	60
Related companies	5,570	5,632	1,254	1,345
Total	15,397	14,289	2,124	2,021

4.2.2 Short-term loans to related parties

	<i>(Unit: Million Baht)</i> Consolidated financial statements			
	Outstanding balance		Average balance	
	2023	2022	2023	2022
Related company	33	-	3	-
Net	33	-	3	-

	<i>(Unit: Million Baht)</i> Separate financial statements			
	Outstanding balance		Average balance	
	2023	2022	2023	2022
Subsidiaries	15,635	8,020	9,908	6,934
Total	15,635	8,020	9,908	6,934

As at 31 December 2023, short-term loans bear interest at 6.00% to 6.18% per annum (2022: 5.91% per annum). The Group and the Company compute the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

4.2.3 Advance payments for purchase of goods

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2023	2022	2023	2022
Associates and joint ventures	101	53	-	-
Related companies	438	2,706	-	-
Total	539	2,759	-	-

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

4.2.4 Accrued dividend income

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2023	2022	2023	2022
Associates	129	157	-	-
Total	129	157	-	-

4.2.5 Long-term loans to related parties

	<i>(Unit: Million Baht)</i> Consolidated financial statements			
	Outstanding balance		Average balance	
	2023	2022	2023	2022
Associates	975	-	496	4
Less current portion	(975)	-	(496)	-
Net	-	-	-	4

	<i>(Unit: Million Baht)</i> Separate financial statements			
	Outstanding balance		Average balance	
	2023	2022	2023	2022
Subsidiary	350	3,758	407	6,672
Less current portion	-	(540)	(253)	-
Total	350	3,218	154	6,672

As at 31 December 2023, long-term loans bear interest at 4.63% to 13.20% per annum (2022: 4.60% per annum). The Group and the Company compute the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

4.2.6 Other non-current assets

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2023	2022	2023	2022
Subsidiaries	-	-	3	347
Associates and joint ventures	162	93	-	-
Related companies	114	85	11	10
Total	276	178	14	357

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

4.2.7 Accounts payable - trade and others

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
			Separate financial statements	
	2023	2022	2023	2022
Significant influence entity	494	362	94	7
Subsidiaries	-	-	72	96
Associates and joint ventures	3,689	8,393	8	7
Related companies	7,352	10,905	76	62
Total	11,535	19,660	250	172

4.2.8 Short-term borrowings from related parties

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
			Separate financial statements	
	Outstanding balance	Average balance	Outstanding balance	Average balance
	2023	2022	2023	2022
Associates and joint ventures	49	1,104	1,019	1,002
Related companies	208	890	754	872
Total	257	1,994	1,773	1,874

	Separate financial statements		<i>(Unit: Million Baht)</i>	
			Outstanding balance	Average balance
	2023	2022	2023	2022
Subsidiaries	9,490	11,170	14,149	11,056
Total	9,490	11,170	14,149	11,056

As at 31 December 2023, the borrowings bear interest at 3.93% to 5.63% per annum (2022: 3.75% to 4.88% per annum). The Group and the Company compute the average balance from the outstanding balances of the borrowings at the end of each month excluding accrued interest expense.

4.2.9 Lease liabilities

	Consolidated financial statements		<i>(Unit: Million Baht)</i>	
			Separate financial statements	
	2023	2022	2023	2022
Subsidiary	-	-	41	87
Associates	427	536	-	-
Related companies	2,347	2,687	284	311
Total	2,774	3,223	325	398

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

4.3 Key management personnel compensation

Key management personnel compensation consists of:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<i>For the year ended 31 December</i>				
Short-term benefits	1,577	1,808	211	224
Post-employment under defined benefit plans	19	20	5	5
Total	1,596	1,828	216	229
<i>As at 31 December</i>				
Provisions for employee benefits	536	567	109	109
Total	536	567	109	109

4.4 Commitments

As at 31 December, the Group had commitments with related parties as follows:

Capital commitments

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	610	838	-	5

4.5 Significant agreements

As at 31 December 2023, the Group had the following significant agreements with related parties:

4.5.1 Technical service agreement

Certain foreign subsidiaries have a technical service agreement with a significant influence entity, CPG, for the right to obtain technical service as stipulated in the agreement. In this regard, the subsidiaries are committed to pay service fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreement.

4.5.2 Trademark agreements

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use trademarks as stipulated in the agreements. In this regard, the Company and subsidiaries are committed to pay trademark license fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

During the year 2023, a subsidiary (CPF Restaurant and Food Chain Co., Ltd.) has entered into an agreement to acquire the “FIVE STAR” trademarks and service marks being registered overseas from CPG amounting to Baht 317 million of which Baht 159 million has been paid during the year 2023. In this regard, the ownership assignment of the trademarks and service marks will be completed when the registration of ownership assignment of the trademarks and service marks in each country has been completed.

4.5.3 Application system service agreement

A subsidiary (CPF IT Center Co., Ltd.) had an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”) as stipulated in the agreement. Under the terms of the agreement, Freewill agrees to provide the subsidiary the application system service. In this regard, the subsidiary is committed to pay the application system service fee to Freewill in accordance with the terms, conditions and rates as stipulated in the agreement.

4.5.4 Service agreements for import and export transactions

The Company and certain subsidiaries have service agreements with a related company, C.P. Intertrade Co., Ltd. (“CPI”) as stipulated in the agreements. Under the terms of the agreements, CPI agrees to provide documentation services and others relating to import and export transactions of the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the service fees to CPI in accordance with the terms, conditions and rates as stipulated in the agreements.

4.5.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd., has information technology service and software application agreements with local and foreign related companies. The terms and the service fees are stipulated in the agreements. The agreements shall be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

4.5.6 Agreements for share service

The Company has share service agreements with certain subsidiaries to provide services as stipulated in the agreements such as services related to policy and accounting principles, compliance, legal and financial management and financing, etc. In this regard, the subsidiaries are committed to pay the service fees to the Company in accordance with the terms, conditions and rates as stipulated in the agreements.

5 Cash and cash equivalents

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	2023	2022	2023	2022
Cash at financial institutions and on hand	22,312	26,834	1,460	1,902
Highly liquid short-term investments	3,824	6,116	-	-
Total	26,136	32,950	1,460	1,902

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

6 Inventories

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2023	2022	2023	2022
Raw materials	35,017	44,278	1,244	1,516
Chemicals and supplies	3,963	3,999	183	174
Work in progress	1,191	2,173	73	201
Finished goods	22,464	24,761	1,215	972
Inventories in transit	7,562	8,950	-	11
Total	70,197	84,161	2,715	2,874
<i>Less allowance for decline in value of inventories</i>	<i>(689)</i>	<i>(1,081)</i>	<i>(72)</i>	<i>(13)</i>
Net	69,508	83,080	2,643	2,861

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2023 in the consolidated and the separate statement of income amounting Baht 393,274 million and Baht 17,597 million, respectively (2022: Baht 393,211 million and Baht 19,101 million, respectively).

In 2023, the Group recognised a reversal of allowance for a decline in value of inventories of Baht 392 million and the Company recognised losses for a decline in value of inventories of Baht 59 million. (2022: The Group and the Company recognised a reversal of allowance for a decline in value of inventories of Baht 35 million and Baht 4 million, respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

7 Biological assets

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
At 1 January	66,775	57,913	926	789
Acquired through business combination	-	70	-	-
Increase due to purchase/raise	193,476	197,742	6,884	6,889
Decrease due to sale/harvest	(181,809)	(182,914)	(6,812)	(6,413)
Depreciation	(8,111)	(7,388)	(80)	(104)
Gains on change in fair value				
less costs to sell	724	1,411	-	-
Disposal from loss control of				
subsidiaries	(611)	-	-	-
Currency translation differences	(2,591)	113	-	-
Others	(715)	(172)	(227)	(235)
Balance at 31 December	67,138	66,775	691	926
<i>Current</i>				
Livestock	53,562	52,697	-	-
Aquatic	1,503	1,842	691	926
Total current	55,065	54,539	691	926
<i>Non-current</i>				
Livestock	12,073	12,236	-	-
Total non-current	12,073	12,236	-	-
Total	67,138	66,775	691	926

Biological assets comprise livestock biological assets such as swine, chicken, duck etc. and aquatic biological assets such as shrimp and fish. Biological assets are measured at fair value using quoted prices at the end of reporting period as references. Except certain types of biological assets which have short production cycle or the market prices at present condition of the biological assets are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, disease etc., they are measured at cost less accumulated depreciation and impairment losses.

Cost includes all costs incurred from the acquisition of biological assets and throughout the growth cycle such as cost of new-born animals, feed costs, and other costs.

Bearer biological assets, for example breeders, are depreciated using the straight line method over the productive period or the units of production method which ranges approximately from 4 months to 36 months depending on the type of biological assets.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The estimates of physical quantities of the Group's biological assets as at 31 December is as follows:

	<i>(Unit: Tons)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Livestock	1,259,411	1,036,471	-	-
Aquatic	16,327	15,832	3,520	4,007

The estimates of physical quantities of biological assets were based on experience and historical data. The Group estimates the physical quantities of aquatic biological assets using a sampling method to project the overall weight.

Fair value measurement

The fair value of biological assets including carrying amount in the consolidated financial statements are as follows:

		(Unit: Million Baht)			
	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2023					
Biological assets at fair value					
less costs to sell	34,158	-	10,223	23,935	34,158
31 December 2022					
Biological assets at fair value					
less costs to sell	34,464	-	11,308	23,156	34,464

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which use quoted prices based on market prices at the reporting date.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The following table shows the valuation technique used in measuring the fair value of biological assets, as well as the significant unobservable inputs used for those categorised in Level 3.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Market comparison approach	<p>Reference market price as at 31 December 2023</p> <ul style="list-style-type: none"> • Suckling swine and weanling swine Baht 2,408 per head • Fattening swine Baht 84 per kilogram • Sow Baht 14,862 to Baht 27,619 per head 	On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 612 million.

The fair value of biological assets is performed by the Group's relevant finance department and operations team using a series of systematic procedures. The fair value measurements are categorised into each hierarchy based on inputs of swine market in each country as reference. The fair value of swine is determined based on market price per head or weight of swine.

8 Investments in subsidiaries

Movements during the years ended 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
At 1 January	-	-	241,229	228,979
Acquisitions/additional investments	-	-	35,182	23,022
Disposals/capital reduction	-	-	(22,270)	(3,600)
Impairment losses	-	-	(3,500)	(7,172)
At 31 December	-	-	250,641	241,229

During the year 2023

- The Company acquired shares of Charoen Pokphand Enterprise (Taiwan) Co., Ltd., from CPF Investment Limited ("CPFI"), a direct subsidiary of the Company, amounting to U.S. Dollar 74 million or equivalent to Baht 2,597 million, by offsetting the consideration of the shares with dividend receivable from CPFI.
- The Company acquired shares of CPF Global Food Solution Public Company Limited amounting to Baht 1,350 million and partially sold shares amounting to Baht 150 million to C.P. Merchandising Co., Ltd. as a result of the Group's restructuring. There is no material impact on the consolidated financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

- (c) The Company acquired shares of Charoen Pokphand Foods (Overseas) LLC from CPFI amounting to U.S. Dollar 54 million or equivalent to Baht 1,860 million by offsetting the consideration of the shares with loans to CPFI.
- (d) The Company increased share capital in CPF Netherlands B.V. (“CPFN”) amounting to U.S. Dollar 71 million or equivalent to Baht 2,428 million. Subsequently, CPFN reduced its registered share capital by reducing par value from U.S. Dollar 1 to U.S. Dollar 0.48 per share amounting to U.S. Dollar 678 million or equivalent to Baht 22,120 million. In this regard, the Company recognised gain from investments of Baht 2,159 million in the separate financial statements. There is no material impact on the consolidated financial statements.
- (e) The Company acquired the entire shares in Stesha LLC, a subsidiary of CPFN, amounting to U.S. Dollar 678 million or equivalent to Baht 24,849 million by offsetting the consideration of the shares with the amount of capital repayment from CPFN.
- (f) The Company increased share capital in CPF IT Center Co., Ltd. amounting to Baht 1,250 million.
- (g) The Company increased share capital in Bellisio Investment LLC. amounting to U.S. Dollar 13 million or equivalent to Baht 452 million and recognised allowance for impairment losses amounting to Baht 3,000 million.
- (h) The Company increased share capital in Homegrown Shrimp (USA) LLC, amounting U.S. Dollar 2 million or equivalent to Baht 52 million and recognised allowance for impairment losses amounting to Baht 500 million.
- (i) The Company completed the registration of additional share capital in CPF Poland S.A. of which the Company paid for the additional shares amounting to Zlotty 45 million or equivalent to Baht 344 million during 2022 and has reclassified the amount from other non-current assets to investments in subsidiaries.

Loss of control in subsidiaries

In December 2023, CP Food Investment Limited (“CP Food”), a 76.24% indirectly owned subsidiary through C.P. Pokphand Co., Ltd. (“CPP”), sold shares of 4 companies which engaged in the integrated broiler business in China namely C.P. Food (Hengshui) Co., Ltd., C.P. Food (Nantong) Co., Ltd., C.P. Food (Kaifeng) Co., Ltd. and C.P. Food (Zhanjiang) Co., Ltd. to Chia Tai C.P. Trading Development Co., Ltd., which Charoen Pokphand Group Company Limited is a major shareholder. Upon the completion of this transaction, these 4 companies changed their status from subsidiaries to related companies. The Group recognised gain on loss of control in subsidiaries amounting to Baht 4,307 million in the consolidated statement of income.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The carrying amount of net assets on the date when control of subsidiaries was lost comprised the following:

(Unit: Million Baht)

Current assets	4,919
Non-current assets	7,513
Current liabilities	(15,158)
Non-current liabilities	(1,674)
Carrying amount of net liabilities	(4,400)
Carrying amount attributable to equity holders of the Company	(2,734)
Carrying amount attributable to non-controlling interests	(1,666)
Total shareholders' equity	(4,400)
Effect in cash from loss of control in subsidiaries	(63)
Fair value of interest in subsidiaries	-
<i>Less</i> carrying amount of investment previously held and equity interest in subsidiaries	(4,400)
Gain on loss of control in subsidiaries	4,400
<i>Add</i> reclassified currency translation differences to profit or loss	(93)
Gain on loss of control in subsidiaries - Net	4,307
Gain on loss of control in subsidiaries - Net	
Attributable to equity holders of the Company	2,675
Attributable to non-controlling interests	1,632
Total	4,307

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in subsidiaries

Investments in subsidiaries as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest		Cost method		Accumulated impairment		At cost - net	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>Marketable securities</i>								
Charoen Pokphand Enterprise (Taiwan) Co., Ltd.	28.39	18.38	7,412	4,815	-	-	7,412	4,815
Chia Tai Enterprises International Limited	4.98	4.98	500	500	-	-	500	500
Total			7,912	5,315	-	-	7,912	5,315
<i>Non-marketable securities</i>								
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	1,230	1,230	-	-	1,230	1,230
CPF Global Food Solution Public Company Limited	49.99	-	1,200	-	-	-	1,200	-
CPF (Thailand) Public Company Limited	99.99	99.99	48,510	48,510	-	-	48,510	48,510
CPF Training Center Co., Ltd.	99.99	99.99	20	20	-	-	20	20
CPF IT Center Co., Ltd.	99.99	99.99	1,500	250	-	-	1,500	250
C.P. Merchandising Co., Ltd.	68.21	68.21	35,400	35,400	-	-	35,400	35,400
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	500	-	-	500	500
Bellisio Investment, LLC	100.00	100.00	42,809	42,357	(3,000)	-	39,809	42,357
C.P. Aquaculture (India) Private Limited	62.50	62.50	1,217	1,217	-	-	1,217	1,217
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	-	-	126	126
C.P. Foods International Limited	100.00	100.00	7,172	7,172	(7,172)	(7,172)	-	-
C.P. Pokphand Co., Ltd.	4.98	4.98	4,691	4,691	-	-	4,691	4,691
CP Foods Capital Limited	100.00	100.00	1	1	-	-	1	1
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	(8)	(8)	-	-
Charoen Pokphand Foods (Overseas) LLC	49.74	4.15	3,254	1,394	(1,141)	(1,141)	2,113	253
Charoen Pokphand Foods Philippines Corporation	23.81	23.81	1,055	1,055	-	-	1,055	1,055

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in subsidiaries (Continued)

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest		Cost method		Accumulated		At cost - net	
	(<i>%)</i>				impairment			
	2023	2022	2023	2022	2023	2022	2023	2022
Chun Ta Investment Co., Ltd.	100.00	100.00	1,473	1,473	-	-	1,473	1,473
CPF Investment Limited	100.00	100.00	56,166	56,166	-	-	56,166	56,166
CPF Tanzania Limited	58.26	58.26	129	129	(129)	(129)	-	-
CPF Netherlands B.V.	99.99	99.99	20,688	40,380	-	-	20,688	40,380
CPF Poland S.A.	66.67	66.67	712	368	-	-	712	368
Homegrown Shrimp (USA) LLC	100.00	100.00	747	695	(500)	-	247	695
Stesha LLC	100.00	-	24,849	-	-	-	24,849	-
Ta Chung Investment Co., Ltd.	100.00	100.00	1,222	1,222	-	-	1,222	1,222
Total			254,679	244,364	(11,950)	(8,450)	242,729	235,914
Grand Total			262,591	249,679	(11,950)	(8,450)	250,641	241,229

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

9 Non-controlling interests

Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations as at 31 December were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2023	2022	2023	2022	2023	2022
Non-controlling interests percentage*	23.76	23.76	49.57	49.57	61.00	61.00
Current assets	62,160	71,510	5,329	4,477	9,012	9,835
Non-current assets	150,835	168,812	8,800	8,919	24,843	23,199
Current liabilities	(54,040)	(72,933)	(3,187)	(2,677)	(9,075)	(10,020)
Non-current liabilities	(38,489)	(39,171)	(1,413)	(903)	(10,077)	(9,019)
Net assets	120,466	128,218	9,529	9,816	14,703	13,995
Goodwill of non-controlling interests	2,616	2,634	-	-	-	-
Carrying amount of non-controlling interests**	29,218	28,443	3,538	3,596	8,775	8,021

* The non-controlling interests percentage of sub-group represents only direct holding on the respective intermediate subsidiary, whereas, many indirect subsidiaries are not wholly-owned by the intermediate subsidiary with various percentages of ownership interests.

** The carrying amount of non-controlling interests of sub-group are derived from the above various percentages of ownership interests of indirect subsidiaries.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2023	2022	2023	2022	2023	2022
Revenue	162,722	163,798	6,152	5,577	32,663	34,180
Profit (loss) for the year	(2,059)	(603)	65	(101)	2,519	1,822
Other comprehensive income (expense)	(4,526)	(5,318)	(583)	(234)	(620)	(515)
Total comprehensive income (expense)	(6,585)	(5,921)	(518)	(335)	1,899	1,307
Profit (loss) attributable to non-controlling interests	837	(868)	(48)	79	1,536	1,114
Other comprehensive income (expense) attributable to non-controlling interests	(8)	(7,657)	434	183	(378)	(315)
Cash flows from operating activities	3,347	4,290	(552)	154	4,737	1,598
Cash flows from investing activities	(1,461)	(6,990)	(245)	(517)	(3,312)	(2,460)
Cash flows from financing activities	(3,392)	5,466	1,039	377	(1,465)	1,003
Effect of exchange rate changes on balances held in foreign currencies	(59)	(84)	(9)	(22)	-	2
Net increase (decrease) in cash and cash equivalents	(1,565)	2,682	233	(8)	(40)	143
Dividend paid to non-controlling interests	-	-	-	(199)	(729)	(593)

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

10 Investments in associates

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2023	2022	2023	2022
At 1 January	235,341	230,428	160	1,646
Acquisition/additional investments	10,588	6,167	2,788	-
Disposals	(5,217)	(2,933)	-	(1,486)
Share of profit	5,395	6,660	-	-
Share of other comprehensive income	156	221	-	-
Dividend income	(3,436)	(2,556)	-	-
Foreign currency translation differences	(2,158)	(2,661)	-	-
Others	47	15	-	-
At 31 December	240,716	235,341	2,948	160

The Group accounts for the investment in CP ALL Public Company Limited (“CPALL”) and CP Aextra Public Company Limited (Formerly known as Siam Makro Public Company Limited) (“CP Aextra”), which are listed companies in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2023, the fair value of the investments were Baht 173,265 million and Baht 25,040 million, respectively (2022: Baht 209,047 million and Baht 37,209 million, respectively).

During the year 2023, the Group partially sold its interest in CPALL with the carrying amount in the consolidated financial statements of Baht 5,217 million. In this regard, the Group recognised gains on sale of investments of Baht 3,524 million. As at 31 December 2023, the Group holds 34.45% interest in CPALL.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in associates

Investments in associates as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

Consolidated financial statements											
	Country of operation	Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net	
		(%)		2023	2022	2023	2022	2023	2022	2023	2022
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>Marketable securities</i>											
CP ALL Public Company Limited	Thailand	34.45	34.09	96,549	90,198	122,840	113,852	-	-	122,840	113,852
CP Axtra Public Company Limited *	Thailand	8.85	8.85	45,451	45,451	46,021	45,799	-	-	46,021	45,799
Total				142,000	135,649	168,861	159,651	-	-	168,861	159,651
<i>Non-marketable securities</i>											
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	159	159	-	-	159	159
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	35	35	177	165	-	-	177	165
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	84	79	45	48	-	-	45	48
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	2	2	240	220	-	-	240	220
A.P.P Enterprise INC.	Philippines	39.60	39.60	-	-	562	15	-	-	562	15
Balt Food LLC	Russia	30.33	-	60	-	60	-	-	-	60	-
Kalino Food AB **	Sweden	-	15.08	-	24	-	32	-	-	-	32

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in associates (Continued)

(Unit: Million Baht)

Consolidated financial statements											
		Ownership interest (both direct and indirect)		Cost method		Equity method		Accumulated impairment		At equity - net	
	Country of operation	(%)									
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Chia Tai Conti (Cixi) Investment Management Co., Ltd.	China	38.12	38.12	8	8	4	4	-	-	4	4
Chia Tai Investment Co., Ltd.	China	26.69	26.69	71,045	71,045	67,703	72,129	-	-	67,703	72,129
Cixi Zhuda Investment Centre Limited Partnership	China	34.69	34.69	4	4	4	4	-	-	4	4
Cloud Food System Joint Stock Company ***	Vietnam	19.40	19.40	119	119	111	115	-	-	111	115
Conti Chia Tai International Limited	China	38.12	38.12	1,052	1,052	917	929	-	-	917	929
Kamereo Company Limited ***	Singapore	10.40	10.40	67	67	61	61	-	-	61	61
Norfolk Property Development (Private) Limited	Sri Lanka	39.20	-	-	-	-	-	-	-	-	-
Rosleko Sp. z o.o.	Poland	26.67	26.67	-	-	-	-	-	-	-	-
Sao Ta Foods Joint Stock Company	Vietnam	20.71	20.71	1,193	1,193	1,246	1,237	-	-	1,246	1,237
Zhan Jiang Deni Carburetor Co., Ltd. ****	China	14.12	14.12	424	424	566	572	-	-	566	572
Total				74,253	74,212	71,855	75,690	-	-	71,855	75,690
Grand total				216,253	209,861	240,716	235,341	-	-	240,716	235,341

Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

* CP Aextra Public Company Limited (“CP Aextra”) is an associate in which 8.85% of the total issued and paid share capital was held by C.P. Merchandising Co., Ltd. (“CPM”), a 99.99% directly and indirectly owned subsidiary. The Group exercises significant influence in CP Aextra by having representatives in the board of directors and involving in setting the policy and making the significant decisions of CP Aextra. The Group accounted its investment in CP Aextra using the equity method in the consolidated financial statements.

** Changed status from an associate to an indirect subsidiary. During the year 2023, CPF Denmark A/S acquired 31.00% additional shares from the former shareholder of Kalino Food AB amounting to Swedish Krona 18 million or equivalent to Baht 59 million.

*** Cloud Food System Joint Stock Company (“Cloud Food”) and Kamereo Company Limited (“Kamereo”) are associates in which 23.33% and 12.50% of the total issued and paid-up share capital was held by C.P. Vietnam Corporation, a 83.18% indirectly owned subsidiary. In this regard, the Group accounted for its investment in Cloud Food and Kamereo using the equity method based on 19.40% and 10.40% shareholdings in the consolidated financial statements, respectively.

**** Zhan Jiang Deni Carburetor Co., Ltd. (“Zhanjiang Deni”) is an associate in which 28.00% of the total issued and paid-up share capital was held by Chia Tai Enterprises International Limited, a 50.43% directly and indirectly owned subsidiary. In this regard, the Group accounted for its investment in Zhanjiang Deni using the equity method based on 14.12% shareholding in the consolidated financial statements.

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in associates (Continued)

(Unit: Million Baht)

	Country of operation	Separate financial statements							
		Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
		2023	2022	2023	2022	2023	2022	2023	2022
Marketable security									
CP ALL Public Company Limited	Thailand	0.56	-	2,788	-	-	-	2,788	-
Total				2,788	-	-	-	2,788	-
Non-marketable securities									
Nava 84 Co., Ltd.	Thailand	25.00	25.00	160	160	-	-	160	160
Lotus Distribution International Company Limited	British Virgin Islands	20.50	20.50	1	1	(1)	(1)	-	-
Total				161	161	(1)	(1)	160	160
Grand Total				2,949	161	(1)	(1)	2,948	160

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Significant associates

The following table summarises the financial information of associates that the Group considered as material by reconciling financial information with the carrying amount of the interests in the associate as summarised below:

	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		(Unit: Million Baht) CP Aextra Public Company Limited and its subsidiaries	
	2023	2022	2023	2022	2023	2022
<i>Financial information of the associate</i>						
Revenue	922,130	853,427	262,722	259,319	490,695	469,963
Profit (loss) from continuing operations	21,852	16,221	(9,515)	4,490	8,540	7,682
Other comprehensive income (expense)	(1,287)	(329)	(5,821)	(9,069)	(674)	(56)
Total comprehensive income (expense)	20,565	15,892	(15,336)	(4,579)	7,866	7,626
Attributable to non-controlling interests	3,096	2,949	(84)	744	(41)	(15)
Attributable to the equity holder of the associate	17,469	12,943	(15,252)	(5,323)	7,907	7,641
Current assets	143,798	148,955	144,442	102,083	76,739	87,355
Non-current assets	782,693	775,106	259,612	284,812	463,632	461,347
Current liabilities	(238,197)	(207,443)	(165,290)	(119,400)	(118,149)	(90,763)
Non-current liabilities	(386,699)	(426,317)	(46,291)	(57,297)	(128,749)	(166,949)
Net assets	301,595	290,301	192,473	210,198	293,473	290,990

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

Notes to the financial statements

For the year ended 31 December 2023

	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		(Unit: Million Baht) CP Aextra Public Company Limited and its subsidiaries	
	2023	2022	2023	2022	2023	2022
Attributable to non-controlling interests	194,538	193,974	5,375	6,515	555	583
Attributable to the equity holder of the associate	107,057	96,327	187,098	203,683	292,918	290,407
<i>Reconciliation of the carrying amount of the interests in the associates</i>						
Group's interest in net assets of the associates at 1 January	32,835	30,174	54,354	38,524	25,693	25,485
Total comprehensive income (expense) attributable to the Group	5,973	4,404	(4,070)	(1,103)	718	638
Dividend received during year	(2,293)	(1,823)	(429)	-	(477)	(468)
Difference from change in ownership	366	80	73	16,933	(19)	38
Group's interests in net assets of the associates at end of year	36,881	32,835	49,928	54,354	25,915	25,693
Goodwill	85,959	81,017	17,775	17,775	20,106	20,106
Carrying amount of the interests in the associates at 31 December	122,840	113,852	67,703	72,129	46,021	45,799

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2023	2022
Carrying amount of interests in immaterial associates	4,152	3,561
Group's share of:		
- Profit from continuing operations	831	271
- Other comprehensive income (expense)	(59)	11
- Total comprehensive income	772	282

11 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2023	2022
At 1 January	20,124	22,412
Acquisition/additional investments	1,460	1,280
Share of loss	(805)	(2,915)
Share of other comprehensive income (expense)	(2)	7
Dividend income	(134)	(453)
Impairment losses	(329)	-
Loss from liquidation	(2)	-
Change in ownership interest	(1,354)	-
Foreign currency translation differences	240	(207)
At 31 December	19,198	20,124

	<i>(Unit: Million Baht)</i>	
	Separate	
	financial statements	
	2023	2022
At 1 January	4,360	4,360
Acquisition/additional investments	-	-
Share of loss	-	-
Share of other comprehensive income (expense)	-	-
Dividend income	-	-
Impairment losses	(566)	-
Loss from liquidation	-	-
Change in ownership interest	-	-
Foreign currency translation differences	-	-
At 31 December	3,794	4,360

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in joint ventures

Investments in joint ventures as at 31 December for the years then ended were as follows:

(Unit: Million Baht)

Consolidated financial statements										
Country of operation	Ownership interest (both direct and indirect)						Accumulated impairment		At equity - net	
	(%)		Cost method		Equity method					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Thailand	59.99	59.99	1,200	1,200	3,115	2,781	-	-	3,115	2,781
India	74.99	74.99	98	98	42	80	-	-	42	80
Brazil	40.00	40.00	566	566	329	357	(329)	-	-	357
Vietnam	-	40.76	-	4	-	2	-	-	-	2
Hong Kong	25.21	25.21	-	-	-	-	-	-	-	-
China	25.21	25.21	1,296	1,296	2,906	2,963	-	-	2,906	2,963
Taiwan	19.51	19.51	107	107	105	107	-	-	105	107
Canada	50.10	50.10	13,444	11,983	9,225	10,404	-	-	9,225	10,404
Poland	49.45	49.45	3,794	3,794	3,788	3,389	-	-	3,788	3,389
Poland	33.33	33.33	83	83	-	30	-	-	-	30
Netherlands	49.99	49.99	6	6	17	11	-	-	17	11
			20,594	19,137	19,527	20,124	(329)	-	19,198	20,124

⁽¹⁾ Closed

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

* CP-Meiji Co., Ltd. (“CP-Meiji”) is a joint venture because the articles of association of CP-Meiji specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets of CP-Meiji. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

** Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Ltd. and Westbridge Foods Holding B.V. are joint ventures because each investor has joint control over significant financial and operating decisions and have rights to the net assets of these companies. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

The Group has considered that none of the joint ventures is regarded as individually material to the Group.

Immaterial joint ventures

The following is summarised financial information for the Group’s interest in immaterial joint ventures based on the amounts reported in the Group’s consolidated financial statements:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2023	2022
Carrying amount of interests in immaterial joint ventures	19,198	20,124
Group’s share of:		
- Losses from continuing operations	(805)	(2,915)
- Other comprehensive income (expense)	238	(200)
- Total comprehensive income (expense)	(567)	(3,115)

Contingent liabilities and commitments relating to the investments in joint ventures as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2023	2022
Group’s share of contingent liabilities	776	356
Group’s share of commitments	1,077	679
Total	1,853	1,053

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Details of investments in joint ventures (Continued)

(Unit: Million Baht)

	Separate financial statements								
	Country of operation	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
		2023	2022	2023	2022	2023	2022	2023	2022
<i>Non-marketable securities</i>									
Camanor Produtos Marinhos S.A.	Brazil	40.00	40.00	566	566	(566)	-	-	566
SuperDrob S.A.	Poland	49.45	49.45	3,794	3,794	-	-	3,794	3,794
Total				4,360	4,360	(566)	-	3,794	4,360

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

12 Investment properties

		Consolidated financial statements			<i>(Unit: Million Baht)</i> Separate financial statements	
		Buildings and building improvements				
	<i>Note</i>	<u>Land</u>	<u></u>	<u>Total</u>	<u>Land</u>	<u>Total</u>
Cost						
At 1 January 2022		6,401	40	6,441	2,069	2,069
Revaluation		1,766	-	1,766	608	608
Transfers to property, plant and equipment	13	(108)	-	(108)	-	-
Disposals		(125)	(41)	(166)	-	-
Currency translation differences		-	1	1	-	-
At 31 December 2022 and 1 January 2023		7,934	-	7,934	2,677	2,677
Transfers		17	-	17	-	-
At 31 December 2023		7,951	-	7,951	2,677	2,677
Depreciation and impairment losses						
At 1 January 2022		-	(32)	(32)	-	-
Disposals		-	33	33	-	-
Currency translation differences		-	(1)	(1)	-	-
At 31 December 2022		-	-	-	-	-
At 31 December 2023		-	-	-	-	-
Net book value						
At 31 December 2022		7,934	-	7,934	2,677	2,677
At 31 December 2023		7,951	-	7,951	2,677	2,677

Fair value measurement

Appraisal prices of the investment properties were valued by the independent professional valuers using Market Comparison Approach, at fair market values. The fair value measurement for the investment properties have been categorised as a Level 3 based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Market comparison approach	Quotation and actual sales prices of comparable investment properties adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

13 Property, plant and equipment

(Unit: Million Baht)

Consolidated financial statements							
	Note	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/revaluation							
At 1 January 2022		52,165	127,432	122,537	15,941	25,272	343,347
Additions		802	426	1,196	1,589	24,326	28,339
Surplus on revaluation		14,765	25,963	-	-	-	40,728
Transfers		530	11,564	10,849	1,217	(24,604)	(444)
Transfers from investment properties	12	108	-	-	-	-	108
Disposals		(73)	(1,144)	(2,334)	(482)	(160)	(4,193)
Currency translation differences		(515)	(1,888)	(1,715)	(228)	552	(3,794)
At 31 December 2022 and 1 January 2023		67,782	162,353	130,533	18,037	25,386	404,091
Additions		476	483	1,632	1,050	18,743	22,384
Surplus on revaluation		1,688	358	-	-	-	2,046
Transfers		648	10,790	9,230	1,180	(22,127)	(279)
Disposal from loss control of subsidiaries		-	(3,515)	(2,799)	(1,257)	(135)	(7,706)
Disposals		(68)	(1,088)	(2,497)	(838)	(157)	(4,648)
Currency translation differences		(1,057)	(6,632)	(4,093)	(549)	(911)	(13,242)
At 31 December 2023		69,469	162,749	132,006	17,623	20,799	402,646

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

13 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	
Accumulated depreciation and impairment losses						
At 1 January 2022	-	(45,045)	(60,524)	(8,925)	-	(114,494)
Depreciation charge for the year	-	(6,581)	(9,897)	(1,811)	-	(18,289)
Reversal of impairment (losses)	-	(81)	36	-	-	(45)
Transfers	-	232	149	57	-	438
Disposals	-	1,017	2,161	458	-	3,636
Currency translation differences	-	343	864	120	-	1,327
At 31 December 2022 and 1 January 2023	-	(50,115)	(67,211)	(10,101)	-	(127,427)
Depreciation charge for the year	-	(6,648)	(9,222)	(1,831)	-	(17,701)
Impairment losses	-	(507)	(66)	(1)	-	(574)
Transfers	-	(1)	(29)	(5)	-	(35)
Disposals from loss control of subsidiaries	-	262	475	176	-	913
Disposals	-	759	1,861	492	-	3,112
Currency translation differences	-	1,968	1,945	297	-	4,210
At 31 December 2023	-	(54,282)	(72,247)	(10,973)	-	(137,502)
Net book value						
At 31 December 2022	<u>67,782</u>	<u>112,238</u>	<u>63,322</u>	<u>7,936</u>	<u>25,386</u>	<u>276,664</u>
At 31 December 2023	<u>69,469</u>	<u>108,467</u>	<u>59,759</u>	<u>6,650</u>	<u>20,799</u>	<u>265,144</u>

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

13 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Separate financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
Cost/ revaluation						
At 1 January 2022	9,221	12,543	11,760	1,054	100	34,678
Additions	-	-	87	29	337	453
Surplus on revaluation	2,793	2,953	-	-	-	5,746
Transfers	-	116	89	4	(217)	(8)
Disposals	-	(794)	(1,049)	(58)	-	(1,901)
At 31 December 2022 and 1 January 2023	12,014	14,818	10,887	1,029	220	38,968
Additions	-	-	102	30	442	574
Transfers	-	402	166	13	(586)	(5)
Disposals	-	(311)	(370)	(31)	-	(712)
At 31 December 2023	12,014	14,909	10,785	1,041	76	38,825
Accumulated depreciation and impairment losses						
At 1 January 2022	-	(8,987)	(8,917)	(987)	-	(18,891)
Depreciation charge for the year	-	(522)	(514)	(32)	-	(1,068)
Reversal of impairment (losses)	-	(13)	11	-	-	(2)
Disposals	-	722	976	57	-	1,755
At 31 December 2022 and 1 January 2023	-	(8,800)	(8,444)	(962)	-	(18,206)
Depreciation charge for the year	-	(453)	(424)	(35)	-	(912)
Impairment losses	-	(314)	(58)	(1)	-	(373)
Disposals	-	300	359	31	-	690
At 31 December 2023	-	(9,267)	(8,567)	(967)	-	(18,801)
Net book value						
At 31 December 2022	12,014	6,018	2,443	67	220	20,762
At 31 December 2023	12,014	5,642	2,218	74	76	20,024

Capitalised borrowing cost in 2023 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 338 million and Baht 4 million, respectively (2022: Baht 470 million and Baht 3 million, respectively) is recognised as a part of cost of assets.

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Revaluation

Fair value of land and buildings and building improvements of animal feed product group and processed foods and ready meals product group including carrying amount in the financial statements are as follows:

<i>(Unit: Million Baht)</i>					
	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2023					
Land	69,469	-	254	69,215	69,469
Buildings and building improvements	60,542	-	-	60,542	60,542
31 December 2022					
Land	67,782	-	309	67,473	67,782
Buildings and building improvements	62,967	-	-	62,967	62,967

<i>(Unit: Million Baht)</i>					
	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2023					
Land	12,014	-	-	12,014	12,014
Buildings and building improvements	3,840	-	-	3,840	3,840
31 December 2022					
Land	12,014	-	-	12,014	12,014
Buildings and building improvements	3,934	-	-	3,934	3,934

As at 31 December 2023, net book value of these land and building and building improvements of the Group and the Company would have been Baht 59,507 million and Baht 3,939 million, respectively, if they were measured at cost (2022: Baht 62,497 million and Baht 3,949 million for the Group and the Company, respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The following table shows the valuation technique used in measuring the fair value of land, buildings and building improvements of animal feed, processed foods and ready meals products, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Quotation and actual sales prices of comparable land adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).
Replacement cost approach	Construction cost and the depreciation of buildings adjusted by other factors.	The estimated fair value increases (decreases) if the construction cost per area increases (decreases).

14 Leases

As a lessee

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>Right-of-use assets</i>				
Land and buildings	29,684	28,307	138	175
Equipment	1,303	2,405	206	226
Vehicles	1,478	1,561	151	208
Leasehold rights	3,032	3,609	-	-
Total	35,497	35,882	495	609

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 8,412 million and Baht 121 million, respectively (2022: 7,117 million and Baht 486 million, respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 55 years expiring in 2024 to 2078.

<i>For the year ended 31 December</i>	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and buildings	4,829	4,070	110	126
- Equipment	524	496	28	21
- Vehicles	669	640	94	100
Amortisation of leasehold rights	107	100	-	-
Interest on lease liabilities	2,970	2,909	26	21
Expenses relating to short-term leases	1,922	2,045	38	34
Expenses relating to leases of low-value assets	142	23	1	1
Variable lease payments based on sales	91	171	1	11
Lease expense	2,155	2,239	40	46
Contingent rent expense	1,524	2,417	3	2

In 2023, total cash outflow for leases of the Group and the Company were Baht 9,536 million and Baht 281 million, respectively (2022: Baht 7,802 million and Baht 331 million, respectively).

15 Goodwill

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2023	2022
Cost		
At 1 January	69,304	66,918
Acquired through business acquisitions	96	-
Currency translation differences	(2,675)	2,386
At 31 December	66,725	69,304
Impairment loss		
At 1 January	(6,537)	(6,101)
Impairment losses	-	(436)
At 31 December	(6,537)	(6,537)
Net book value		
At 1 January	62,767	60,817
At 31 December	60,188	62,767

Goodwill is allocated to cash-generating unit by segment and countries of operation. Goodwill was mainly arising from the acquisitions of shares of C.P. Pokphand Co., Ltd., JSC Poultry Production Severnaya and Bellisio Investment, LLC.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Impairment testing

In evaluating and testing of impairment, the Group determined the recoverable amount on the higher of its value in use by estimating discounted future cash flows and the fair value less cost of disposal if sale the business.

In this regard, the preparation of future cash flows that the Group expects to receive is derived from the determination of financial assumptions based on the management's assessment by considering the factors related to future trends in the relevant industries and historical financial data from external and internal sources of information.

The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as targeted capital structure, cost of debt and cost of equity.

Terminal growth rate

Terminal growth rates were determined based on average consumer price index, inflation rates, growth rates of the relevant industries of the countries of the operation and the long-term growth plan as well as the comparable businesses in the same industries.

Budgeted future cash flow that the Group expects to receive

Budgeted future cash flow that the Group expects to receive comprises of budgeted revenue growth, costs and related expenses, by taking the average growth rate in the past, budgeted sale quantities, selling price, and expenses into account and referencing to future trend of market growth along with the business strategies and the operation of the Group in the future.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

16 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements				
	Development cost of software applications	Development cost of products	Customer relationships	Trademark, rights and others	Total
Cost					
At 1 January 2022	1,063	2,194	5,953	10,899	20,109
Additions	383	-	-	154	537
Transfers	34	136	-	17	187
Disposals	(75)	(63)	-	(36)	(174)
Currency translation differences	(5)	82	127	198	402
At 31 December 2022 and 1 January 2023	1,400	2,349	6,080	11,232	21,061
Additions	80	-	-	951	1,031
Transfers	(207)	274	-	169	236
Disposals from loss control of subsidiaries	-	-	-	(4)	(4)
Disposals	(1)	(80)	-	(46)	(127)
Currency translation differences	(16)	(15)	10	(151)	(172)
At 31 December 2023	1,256	2,528	6,090	12,151	22,025
Accumulated amortisation					
1 January 2022	(663)	(682)	(2,181)	(2,934)	(6,460)
Amortisation charge for the year	(80)	(217)	(448)	(465)	(1,210)
Disposals	74	35	-	36	145
Currency translation differences	4	(25)	(22)	(35)	(78)
At 31 December 2022 and 1 January 2023	(665)	(889)	(2,651)	(3,398)	(7,603)
Amortisation charge for the year	(114)	(245)	(445)	(443)	(1,247)
Transfers	(5)	-	-	(18)	(23)
Disposals from loss control of subsidiaries	-	-	-	3	3
Disposals	1	43	-	16	60
Currency translation differences	10	8	(9)	16	25
At 31 December 2023	(773)	(1,083)	(3,105)	(3,824)	(8,785)
Net book value					
At 31 December 2022	735	1,460	3,429	7,834	13,458
At 31 December 2023	483	1,445	2,985	8,327	13,240

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

16 Other intangible assets (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
Cost			
At 1 January 2022	7	104	111
Additions	23	-	23
Transfers	-	11	11
Disposals	-	(1)	(1)
At 31 December 2022 and 1 January 2023	30	114	144
Additions	4	-	4
Transfers	-	4	4
Disposals	-	(1)	(1)
At 31 December 2023	34	117	151
Accumulated amortisation			
At 1 January 2022	(6)	(86)	(92)
Amortisation charge for the year	-	(6)	(6)
At 31 December 2022 and 1 January 2023	(6)	(92)	(98)
Amortisation charge for the year	(1)	(6)	(7)
Disposals	-	1	1
At 31 December 2023	(7)	(97)	(104)
Net book value			
At 31 December 2022	24	22	46
At 31 December 2023	27	20	47

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

17 Interest-bearing liabilities

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2023	2022	2023	2022
Current					
	Bank overdrafts and short-term borrowings from financial institutions	86,427	94,753	-	-
	Bills of exchange	58,310	20,687	29,479	3,545
	Short-term borrowings from related parties	257	1,994	9,490	11,170
	Total	144,994	117,434	38,969	14,715
Current portion of long-term debts					
	Long-term borrowings from financial institutions	27,181	46,727	908	1,165
	Debentures	20,833	19,390	16,833	9,940
	Lease liabilities	5,319	4,921	166	182
	Total	53,333	71,038	17,907	11,287
	Total current	198,327	188,472	56,876	26,002
Non-current					
	Long-term borrowings from financial institutions	104,443	108,675	492	1,424
	Debentures	182,297	192,825	92,547	113,075
	Lease liabilities	30,045	30,581	333	428
	Total non-current	316,785	332,081	93,372	114,927
	Grand total	515,112	520,553	150,248	140,929

Long-term borrowings from financial institutions

As at 31 December 2023, certain foreign subsidiaries had secured long-term borrowings totalling Baht 17,400 million (2022: Baht 26,140 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 16,401 million (2022: Baht 17,746 million), current and non-current assets mainly comprising of current investments, leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 4,867 million (2022: Baht 6,743 million), ordinary shares of a foreign subsidiary of 2,425 million (2022: Baht 3,182 million).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

In this regards, the Group had significant borrowing agreements with financial institutions as follows:

CPF (Thailand) Public Company Limited (“CPFTH”)

During the year 2023, CPFTH had entered into unsecured Sustainability Linked Loan agreement with foreign financial institutions, comprised credit facility of U.S. Dollar 212 million and JPY 30,500 million at SOFR and TIBOR plus specified rate, respectively, which may be reduced if CPFTH complies with the conditions as specified in the agreement. In this regard, CPFTH must comply with the covenants as specified in the agreement. As at 31 December 2023, CPFTH drew down the borrowing amounting to approximately Baht 3,329 million.

CPF Investment Limited (“CPFI”)

CPFI had secured long-term borrowing agreements with various financial institutions, credit facilities totalling U.S. Dollar 2,715 million. Interest rate of such borrowing is SOFR plus specified rate, and will be matured within 2027.

CPFI used the above long-term borrowing facilities to finance investing activity and for general corporate operations. In this regard, CPFI must comply with the covenants as specified in the agreement.

C.P. Pokphand Co., Ltd. (“CPP”)

CPP entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 422 million. Interest rate of such borrowing is SOFR plus specified rate, and will be matured within 2028.

CPP fully drew down the above long-term borrowing for loan repayment and investing activity and/or general corporate operations of CPP. In this regard, CPP must comply with the covenants as specified in the agreement.

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Debentures

As at 31 December, the Company and certain subsidiaries had unsubordinated and unsecured debenture as follows:

(Unit: Million Baht)							
Debentures	interest rates (% per annum)	Term (Year)	Maturity Year	Consolidated financial statements		Separate financial statements	
				2023	2022	2023	2022
Charoen Pokphand Foods Public Company Limited (the “Company”)							
1/2011 ⁽¹⁾	5.42	30	2041	3,055	4,000	3,055	4,000
2/2011 ⁽¹⁾	5.42	30	2041	3,580	6,000	3,580	6,000
2/2012	5.30	20	2032	4,670	5,000	4,670	5,000
1/2015	3.98	8	2023	-	5,500	-	5,500
2/2015	4.28 - 4.51	10 - 12	2025 - 2027	5,000	6,940	5,000	6,940
1/2016	3.11 - 3.73	8 - 15	2024 - 2031	6,000	6,000	6,000	6,000
1/2018	3.05 - 3.60	7 - 10	2025 - 2028	12,000	12,000	12,000	12,000
2/2018	3.79 - 4.66	6 - 12	2024 - 2030	10,700	10,700	10,700	10,700
1/2020	3.00 - 4.00	4 - 15	2024 - 2035	25,000	25,000	25,000	25,000
1/2021	2.99 - 3.80	5 - 12	2026 - 2033	27,500	30,000	27,500	30,000
1/2022	3.15 - 4.00	4 - 8	2026 - 2030	11,875	11,875	11,875	11,875
Total				109,380	123,015	109,380	123,015
CPF (Thailand) Public Company Limited (“CPFTH”)							
1/2016	3.87 - 4.15	10 - 12	2026 - 2028	6,400	8,550	-	-
2/2016	3.46 - 3.95	10 - 15	2026 - 2031	4,700	8,000	-	-
1/2018	3.24 - 4.43	6 - 15	2024 - 2033	10,500	10,500	-	-
1/2019	2.91 - 4.18	4 - 12	2023 - 2031	13,000	17,000	-	-
1/2020	3.15 - 4.11	5 - 15	2025 - 2035	20,000	20,000	-	-
1/2021	2.50 - 3.70	6 - 12	2027 - 2033	15,000	15,000	-	-
1/2022	3.80 - 5.00	7 - 15	2029 - 2037	10,150	10,150	-	-
1/2023	3.20 - 4.00	5 - 10	2028 - 2033	10,000	-	-	-
2/2023	3.10	2	2025	4,000	-	-	-
Total				93,750	89,200	-	-
Grand Total				203,130	212,215	109,380	123,015
Less current portion				(20,833)	(19,390)	(16,833)	(9,940)
Net				182,297	192,825	92,547	113,075

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

- ⁽¹⁾ The debenture holders have the redemption right at the end of year 15 on the third series of the Company's debentures 1/2011 of Baht 3,055 million and debenture 2/2011 of Baht 3,580 million.

The debentures of the Company and CPFTH were registered with the Thai Bond Market Association. The debentures of the Company and CPFTH had a credit rating of "A+" rated by TRIS Rating Co., Ltd. on 14 September 2023.

In this regard, the Company and CPFTH must comply with the specified covenants of the above debentures such as to maintain debt to equity ratio throughout the terms of debentures, etc.

18 Treasury shares

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Ordinary shares of the Company				
At 1 January	7,063	6,245	7,063	6,245
Addition	2,692	818	2,692	818
Decrease	(6,088)	-	(6,088)	-
At 31 December	3,667	7,063	3,667	7,063
Ordinary shares of the Company held by subsidiaries				
At 1 January	4,087	4,087	-	-
Addition	533	-	-	-
At 31 December	4,620	4,087	-	-
Grand total	8,287	11,150	3,667	7,063

On 14 December 2022, the Board of Directors of the Company passed the resolution to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 5,000 million. The number of ordinary shares to be repurchased is not exceeding 200 million shares; equal to 2.32% of the total number of paid-up share capital of the Company. In this regard, the Company repurchased its ordinary shares through the main board of the Stock Exchange of Thailand during the specified period from 19 December 2022 to 18 June 2023. In this regard, the Company shall resale these treasury shares through the main board of the Stock Exchange of Thailand after 3 months from the completion date of the share repurchase, but not exceeding 3 years.

During the year, the Company repurchased 131 million shares for Baht 2,692 million, which was classified as the deduction from shareholders' equity and write-off 198 million treasury shares which were repurchased in 2020, amounting to Baht 6,088 million due to the expiry of the resale period. The Company completed the registration of share capital reduction with the Ministry of Commerce on 21 November 2023.

As at 31 December 2023, the Group and the Company had 670 million and 171 million treasury shares, respectively (2022: 708 million and 238 million treasury shares, respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

19 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Related parties	4	11,535	19,660	250	172
Other parties		24,992	31,304	819	1,217
Total		<u>36,527</u>	<u>50,964</u>	<u>1,069</u>	<u>1,389</u>

20 Provisions for employee benefits

The Group has defined benefit plans for employee's retirement based on the labor law requirements of each country.

A foreign subsidiary established a retirement fund with a financial institution, and the retirement fund is managed by the financial institution.

Employee benefit obligations as at 31 December were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Present value of funded - defined benefit obligations		435	456	-	-
Fair value of plan assets		(363)	(366)	-	-
		<u>72</u>	<u>90</u>	<u>-</u>	<u>-</u>
Present value of unfunded - defined benefit obligations		9,244	9,060	2,559	2,561
Total		<u>9,316</u>	<u>9,150</u>	<u>2,559</u>	<u>2,561</u>

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Movements in the present value of the defined benefit obligations and the fair value of plan assets for the year ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Defined benefit obligations at 1 January	9,516	9,903	2,561	2,704
Benefits paid by the plans	(725)	(638)	(205)	(183)
Current service costs and interest	794	788	192	192
Defined benefit plan actuarial (gains) losses	171	(451)	11	(152)
Others	(77)	(86)	-	-
Defined benefit obligations at 31 December	9,679	9,516	2,559	2,561
Fair value of plan assets at 1 January	366	347	-	-
Expected return on plan assets	5	2	-	-
Defined benefit plan actuarial gains	3	25	-	-
Contributions paid	24	27	-	-
Benefits paid by the plans	(23)	(14)	-	-
Others	(12)	(21)	-	-
Fair value of plan assets at 31 December	363	366	-	-

Expenses or income recognised in the statement of income for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current service costs	579	583	139	141
Interest costs	215	205	53	51
Expected return on plan assets	(5)	(2)	-	-
Total	789	786	192	192

Actuarial gains (losses) recognised in other comprehensive income attributable to equity holders for the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Included in retained earnings:				
At 1 January	26	(405)	167	46
Recognised during the year	(191)	431	(9)	121
At 31 December	(165)	26	158	167

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Principal actuarial assumptions at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	1.15 - 26.00	1.25 - 28.00	2.70	2.64
Future salary increases	2.00 - 23.25	2.00 - 10.08	3.00 - 6.00	3.00 - 6.00

(Unit: %)

Assumptions regarding future mortality are based on mortality tables of each country.

As at 31 December 2023, the weighted-average duration of the defined benefit obligation was 10 years (2022: 11 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown as follows:

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at 31 December 2023				
Discount rate (1% movement)	(641)	978	(167)	254
Future salary change (1% movement)	1,114	(771)	296	(206)
Defined benefit obligation as at 31 December 2022				
Discount rate (1% movement)	(710)	900	(193)	240
Future salary change (1% movement)	894	(713)	254	(210)

(Unit: Million Baht)

21 Surplus (deficit) and legal reserve

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Surplus from change in interests in subsidiaries, associates and joint ventures

Equity in subsidiaries, associates and joint ventures consist of:

- a. The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.
- b. The changes in interest in equity of associates and joint ventures.

Surplus on common control transactions

Surplus on common control transactions recognised in equity relate to differences between the carrying amount of net assets and the consideration received from the transfer of the carrying amounts of assets and liabilities of certain parts of the Company's business to a subsidiary. In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

Other components of equity

1) Revaluation differences on assets

Revaluation differences on assets recognised in equity relate to cumulative surpluses arising from the revaluations of freehold land, buildings and improvement of animal feed, processed foods and ready meals products until such assets are disposed.

2) Hedging reserve

The hedging reserve mainly comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

3) Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of investments in equity investments measured at fair value through other comprehensive income until the disposal of investments.

4) Currency translation differences

The currency translation differences recognised in equity relate to:

- (a) Foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.
- (b) Foreign exchange differences arising from translation of monetary items, which are part of the Group's net investment in foreign operations when certain conditions are met.

Revaluation differences on assets, currency translation differences and fair value changes on investments are presented net of deferred tax.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Appropriate of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. Legal reserve is not available for dividend distribution.

As at 31 December 2023, the legal reserve was Baht 929 million (2022: *Baht 929 million*).

22 Subordinated perpetual debentures

On 4 December 2023, the Company issued subordinated perpetual debentures which is similar to equity with one-time payment upon dissolution of the Company or upon the exercise of the Company’s early redemption right (“Debentures”) of Baht 11,932 million (debentures no. 1/2023)

As at 31 December 2023, the Company had subordinated perpetual debentures totalling Baht 26,932 million comprised debentures no.1/2022 amounting to Baht 15,000 million and debentures no.1/2023 amounting to Baht 11,932 million. Both debentures were in registered name form, unsecured and unconvertible with debenture holder representative and the Company had the early redemption right pursuant to the terms and conditions of the debentures. The Debentures’ interest rates during the first year to the fifth year are 4.50% for debentures no.1/2022 and 5.55% for debentures no.1/2023, and after the fifth year the interest rate is adjusted every 5 years based on: (1) 5-year government bond yield, (2) Initial Credit Spread, and (3) percentage as stipulated in the prospectus; and will be paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without limitation on deferral period and times at the sole discretion of the Company. If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

- (a) declare or pay any dividend,
- (b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and
- (c) redeem, reduce, cancel, acquire, or buy-back any of any securities issued by the Company which rank pari passu or junior to these Debentures.

During the year 2023, the Company paid interest to the Debentures holders amount of Baht 675 million (2022: *Baht 712 million*). The issuance cost, other expense and interest expense, net of tax of Baht 592 million (2022: *Baht 687 million*) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2023. The accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 275 million (2022: *Baht 224 million*).

As at 31 December 2023, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

23 Segment information and disaggregation of revenue

Segment information is based on the Group's management and internal financial reporting structure which is regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments.

Information about reportable segments

The Group comprises the following main segments:

Segment 1 : Livestock business

Segment 2 : Aquaculture business

Details of the reportable segments' financial information of the Group as at 31 December and for the years then ended were as follows:

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2023	2022	2023	2022	2023	2022
<i>Statements of income</i>						
Revenue from sale of goods	509,606	530,522	76,238	83,675	585,844	614,197
Operating profit (loss)	12,398	33,912	(20)	914	12,378	34,826
Central income, net					5,584	2,121
Finance costs					(25,506)	(20,358)
Net foreign exchange gains					1,023	93
Share of profit of associates and joint ventures					4,590	3,745
Income tax expense					(600)	(6,003)
Profit (loss) for the year					(2,531)	14,424
<i>Assets</i>						
Property, plant and equipment, right-of-use assets and intangible assets (excluded goodwill), net	265,684	276,388	46,107	47,761	311,791	324,149
Central assets, net					2,090	1,853
Other assets					573,337	600,985
Total					887,218	926,987

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group comprises the following main information about geographical areas:

Area 1 : Thailand
Area 2 : Asia
Area 3 : Europe
Area 4 : America
Area 5 : Others

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the years then ended were as follows:

<i>(Unit: Million Baht)</i>				
Consolidated financial statements				
	Revenue from external customers		Non-current assets (excluded deferred tax assets and other non-current financial assets)	
	2023	2022	2023	2022
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Thailand	186,360	191,205	309,000	303,439
Asia	286,411	303,393	266,968	280,584
Europe	80,257	82,603	47,661	51,795
America	31,515	35,458	46,669	49,644
Others	1,301	1,538	-	-
Total	<u>585,844</u>	<u>614,197</u>	<u>670,298</u>	<u>685,462</u>

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Information about major customer

During the year 2023 and 2022, there were no single external customer that contributed 10% or more of the Group's total revenue.

Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the years ended 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Reportable segments					
	Livestock business		Aquaculture business		Total	
	2023	2022	2023	2022	2023	2022
Categories of main products						
Animal feed	97,221	100,348	39,780	45,773	137,001	146,121
Animal farm products	289,757	308,501	28,345	31,185	318,102	339,686
Processed foods and ready meals	122,628	121,673	8,113	6,717	130,741	128,390
Total	509,606	530,522	76,238	83,675	585,844	614,197

(Unit: Million Baht)

	Separate financial statements	
	Reportable segment	
	Aquaculture business	
	2023	2022
Categories of main products		
Animal feed	14,857	14,659
Animal farm products	9,942	11,257
Processed foods and ready meals	1,904	1,972
Total	26,703	27,888

Contract Balances

As at 31 December 2023, the Group and the Company had contract liabilities of Baht 1,380 million and Baht 16 million, respectively (2022: Baht 3,066 million and Baht 12 million, respectively), which represents the obligation to transfer goods to customers for which the consideration has been received.

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The Group and the Company recognise such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts "other current liabilities" in the consolidated and separate statement of financial position as at 31 December 2023.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December were summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2023	2022	2023	2022	2023	2022
Local sales	3,076	3,050	20,263	20,870	23,339	23,920
Export sales	-	-	3,364	3,968	3,364	3,968
Total revenue from sale of goods	3,076	3,050	23,627	24,838	26,703	27,888

24 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- (a) Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totalling Baht 1,596 million and Baht 216 million in the consolidated and separate statements of income for the year ended 31 December 2023, respectively (2022: Baht 1,828 million and Baht 229 million, respectively).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 59,911 million and Baht 5,462 million in the consolidated and separate statements of income for the year ended 31 December 2023, respectively (2022: Baht 59,355 million and Baht 5,541, respectively).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

25 Expenses by nature

Expenses consisted of:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cost of sales of goods	524,643	532,324	25,082	26,355
Distribution costs	23,637	22,922	1,177	933
Administrative expenses	32,238	32,079	2,521	2,563
Total	580,518	587,325	28,780	29,851

Details of expenses by nature for the period ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Changes in finished goods, work in progress and biological assets	119	(13,407)	119	(261)
Raw materials and consumables used	392,841	414,126	16,162	17,538
Employee benefit expenses	61,507	61,183	5,678	5,770
Factory and office expenses	53,569	54,641	4,074	4,008
Depreciation and amortisation	25,121	24,819	1,151	1,323
Transportation expenses	17,564	18,486	628	727
Advertising, public relationship and sale promotion expenses	4,584	4,373	121	107
Vehicle and traveling expenses	2,620	2,721	171	155
Lease-related expenses	2,264	2,238	40	45
Taxes, government and bank fees	2,227	2,344	50	50
Others	18,102	15,801	586	389
Total cost of sales of goods, distribution costs and administrative expenses	580,518	587,325	28,780	29,851

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

26 Income tax

Income tax recognised in profit or loss

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current tax				
Current year	3,529	6,648	24	29
Under (over) provided in prior years	(110)	40	-	-
	3,419	6,688	24	29
Deferred tax				
Movements in temporary differences	(726)	(454)	(141)	126
Movements in tax losses	(2,093)	(231)	(673)	419
	(2,819)	(685)	(814)	545
Income tax expense (income)	600	6,003	(790)	574

Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2023			2022		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	2,045	(574)	1,471	40,728	(8,058)	32,670
Fair value changes on investments	(3,935)	304	(3,631)	2,943	(82)	2,861
Currency translation differences	(10,808)	35	(10,773)	(3,045)	144	(2,901)
Defined benefit plan actuarial gains (losses)	(168)	45	(123)	477	(96)	381
Cash flow hedges reserve	(1,244)	(54)	(1,298)	3,024	14	3,038
Gains (losses) on hedges investment	(99)	-	(99)	99	-	99
Share of other comprehensive income of associates and joint ventures	(1,765)	-	(1,765)	(2,640)	-	(2,640)
Total	(15,974)	(244)	(16,218)	41,586	(8,078)	33,508

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Income tax recognised in other comprehensive income (Continued)

(Unit: Million Baht)

	Separate financial statements					
	2023			2022		
	Before tax	Tax income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	-	-	-	5,746	(1,149)	4,597
Fair value changes on investments	(40)	8	(32)	(47)	9	(38)
Defined benefit plan actuarial gains (losses)	(11)	2	(9)	152	(30)	122
Cash flow hedges reserve	(8)	2	(6)	73	(15)	58
Total	(59)	12	(47)	5,924	(1,185)	4,739

Income tax recognised in shareholders' equity

(Unit: Million Baht)

	Consolidated financial statements					
	2023			2022		
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Interest paid on subordinated perpetual debentures	(737)	145	(592)	(791)	104	(687)
Revaluation differences on assets	-	-	-	(27)	2	(25)
Total	(737)	145	(592)	(818)	106	(712)

(Unit: Million Baht)

	Separate financial statements					
	2023			2022		
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Interest paid on subordinated perpetual debentures	(737)	145	(592)	(791)	104	(687)
Total	(737)	145	(592)	(791)	104	(687)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Reconciliation of effective tax rate

(Unit: Million Baht)

	Consolidated financial statements				
Applicable tax rates	0%	10%	20%	Others	Total
2023					
Accounting profit (loss) before income tax, net	(3,547)	164	(1,884)	1,704	(3,563)
Tax at the applicable tax rates	-	16	(377)	91	(270)
Tax effect of income and expenses that are not taxable income or taxable expenses, net	-	75	33	872	980
Under (over) provided in prior years	-	9	(52)	(67)	(110)
Total	-	100	(396)	896	600
2022					
Accounting profit (loss) before income tax, net	(2,461)	(102)	26,725	(3,735)	20,427
Tax at the applicable tax rates	-	(10)	5,345	42	5,377
Tax effect of income and expenses that are not taxable income or taxable expenses, net	-	36	486	64	586
Under (over) provided in prior years	-	-	(3)	43	40
Total	-	26	5,828	149	6,003

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Reconciliation of effective tax rate (Continued)

	(Unit: Million Baht)			
	Separate financial statements			
Applicable tax rates	0%	20%	Others	Total
2023				
Accounting profit (loss) before income tax, net	(117)	(534)	10	(641)
Tax at the applicable tax rates	-	(107)	2	(105)
Tax effect of income and expenses that are not taxable income or taxable expenses, net	-	(684)	(1)	(685)
Total	-	(791)	1	(790)
2022				
Accounting profit before income tax, net	138	15,309	14	15,461
Tax at the applicable tax rates	-	3,062	1	3,063
Tax effect of income and expenses that are not taxable income or taxable expenses, net	-	(2,489)	-	(2,489)
Total	-	573	1	574

Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets	5,758	4,582	583	-
Deferred tax liabilities	(14,881)	(16,338)	-	(388)
Net deferred tax assets (liabilities)	(9,123)	(11,756)	583	(388)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Movements of deferred tax assets and liabilities during the year 2023 were as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	At 1 January 2023	Charged/Credited to			Disposal from loss control of subsidiaries	Currency translation differences	At 31 December 2023
		Profit or loss	Other comprehensive income	Equity			
<i>Deferred tax assets (liabilities)</i>							
Biological assets	(1,464)	36	-	-	-	41	(1,387)
Investments	(488)	-	304	-	-	1	(183)
Derivatives	170	3	(54)	32	-	3	154
Tax losses	7,311	2,093	-	158	-	(99)	9,463
Other intangible assets	(2,841)	172	-	8	-	160	(2,501)
Investment properties	(1,274)	(19)	-	-	-	-	(1,293)
Property, plant and equipment	(16,349)	252	(574)	3	-	51	(16,617)
Right-of-use assets	(4,316)	(28)	-	-	-	49	(4,295)
Lease liabilities	4,888	225	-	-	-	(72)	5,041
Provisions for employee benefits	1,378	(33)	45	(6)	-	(5)	1,379
Others	1,229	118	35	(13)	(227)	(26)	1,116
Total	(11,756)	2,819	(244)	182	(227)	103	(9,123)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Movements of deferred tax assets and liabilities during the year 2022 were as follows:

(Unit: Million Baht)

	Consolidated financial statements					At 31 December 2022
	At 1 January 2022	Profit or loss	Charged/Credited to Other comprehensive income	Equity	Currency translation differences	
<i>Deferred tax assets (liabilities)</i>						
Biological assets	(1,336)	(136)	-	-	8	(1,464)
Investments	(405)	-	(82)	-	(1)	(488)
Derivatives	152	-	14	-	4	170
Tax losses	7,042	231	-	146	(108)	7,311
Other intangible assets	(2,816)	86	-	-	(111)	(2,841)
Investment properties	(908)	(309)	-	-	(57)	(1,274)
Property, plant and equipment	(8,359)	106	(8,058)	3	(41)	(16,349)
Right-of-use assets	(3,187)	(1,227)	-	-	98	(4,316)
Lease liabilities	3,852	1,131	-	-	(95)	4,888
Provisions for employee benefits	1,438	52	(96)	-	(16)	1,378
Others	354	751	144	(43)	23	1,229
Total	(4,173)	685	(8,078)	106	(296)	(11,756)

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Movements of deferred tax assets and liabilities during the year 2023 were as follows:

(Unit: Million Baht)

	Separate financial statements				At 31 December 2023
	At 1 January 2023	Profit or loss	Charged/Credited to Other comprehensive income	Equity	
<i>Deferred tax assets (liabilities)</i>					
Investments	(84)	-	8	-	(76)
Derivatives	(2)	-	2	-	-
Investment properties	(374)	-	-	-	(374)
Property, plant and equipment	(2,444)	83	-	-	(2,361)
Right-of-use assets	(122)	23	-	-	(99)
Lease liabilities	122	(22)	-	-	100
Provisions for employee benefits	462	(1)	2	-	463
Tax losses	2,078	673	-	157	2,908
Others	(24)	58	-	(12)	22
Total	(388)	814	12	145	583

Movements of deferred tax assets and liabilities during the year 2022 were as follows:

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(Unit: Million Baht)

	Separate financial statements				At 31 December 2022
	At 1 January 2022	Profit or loss	Charged/Credited to Other comprehensive income	Equity	
<i>Deferred tax assets (liabilities)</i>					
Investments	(93)	-	9	-	(84)
Derivatives	13	-	(15)	-	(2)
Investment properties	(252)	(122)	-	-	(374)
Property, plant and equipment	(1,291)	(4)	(1,149)	-	(2,444)
Right-of-use assets	(75)	(47)	-	-	(122)
Lease liabilities	74	48	-	-	122
Provisions for employee benefits	494	(2)	(30)	-	462
Tax losses	2,351	(419)	-	146	2,078
Others	17	1	-	(42)	(24)
Total	1,238	(545)	(1,185)	104	(388)

As at 31 December 2023, the Group had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the consolidated statements of financial position amounting Baht 9,154 million (2022: Baht 20,724 million) because it is not probable that tax benefit will be utilised in the foreseeable future.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

27 Earnings (losses) per share

The calculations of earnings (losses) per share for the years ended 31 December were based on the profit (loss) for the years attributable to ordinary shareholders of the Company less cumulative interest expense and related expenses for the year, net of income tax on subordinated perpetual debentures and the weighted average number of ordinary shares held by third parties outstanding during the years as follows:

	(Unit: Million Baht/Million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit (loss) for the year attributable to ordinary shareholders of the Company	(5,207)	13,969	149	14,887
<i>Less: cumulative interest expense and related expenses for the year, net of income tax on subordinated perpetual debentures</i>	<i>(630)</i>	<i>(556)</i>	<i>(630)</i>	<i>(556)</i>
Profit (loss) used in calculation of earnings per share	<u>(5,837)</u>	<u>13,413</u>	<u>(481)</u>	<u>14,331</u>
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at the beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(474)	(471)	-	-
Effect of own shares held	<u>(318)</u>	<u>(204)</u>	<u>(318)</u>	<u>(204)</u>
Net	<u>7,819</u>	<u>7,936</u>	<u>8,293</u>	<u>8,407</u>
Earnings (losses) per share (in Baht)	<u>(0.75)</u>	<u>1.69</u>	<u>(0.06)</u>	<u>1.70</u>

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

28 Dividends

Details of dividends for the years ended 31 December were as follows:

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (Shares)	Total (in million Baht)	Source
2023				
26 April 2023	0.35	8,362,282,585	2,927	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20%
Total			2,927	
2022				
26 April 2022	0.25	8,406,962,585	2,102	Profit after deduction of taxable losses
15 August 2022	0.40	8,406,962,585	3,363	Profit after deduction of taxable losses
Total			5,465	

29 Financial instruments

(a) Carrying amounts and fair values

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(Unit: Million Baht)

		Consolidated financial statements							
		Carrying amount				Fair value			
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2023									
Financial assets									
Long-term loan to related parties	4	-	-	975	975	-	-	1,012	1,012
Investment in equity securities									
- Marketable equity securities		-	2,245	-	2,245	2,245	-	-	2,245
- Non-marketable equity securities		-	10,389	-	10,389	-	-	10,389	10,389
Other financial assets									
- Derivative assets		2,348	-	-	2,348	-	2,348	-	2,348
Total financial assets		2,348	12,634	975	15,957				
Financial liabilities									
Long-term borrowings									
- Debentures	17	-	-	203,130	203,130	-	204,046	-	204,046
- Long-term borrowings from financial institution	17	-	-	131,624	131,624	-	131,853	-	131,853
Other financial liabilities									
- Derivative liabilities		471	-	-	471	-	471	-	471
Total financial liabilities		471	-	334,754	335,225				

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(Unit: Million Baht)

		Consolidated financial statements							
		Carrying amount			Fair value				
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2022</i>									
<i>Financial assets</i>									
Investment in equity securities									
- Marketable equity securities		-	3,585	-	3,585	3,585	-	-	3,585
- Non-marketable equity securities		-	13,005	-	13,005	-	-	13,005	13,005
Other financial assets									
- Derivative assets		4,692	-	-	4,692	-	4,692	-	4,692
Total financial assets		4,692	16,590	-	21,282				
<i>Financial liabilities</i>									
Long-term borrowings									
- Debentures	17	-	-	212,215	212,215	-	214,644	-	214,644
- Long-term borrowings from financial institution	17	-	-	155,402	155,402	-	156,724	-	156,724
Other financial liabilities									
- Derivative liabilities		152	-	-	152	-	152	-	152
Total financial liabilities		152	-	367,617	367,769				

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2023									
Financial assets									
Long-term loan to related parties	4	-	-	350	350	-	-	326	326
Investment in equity securities									
-Non-marketable equity securities		-	879	-	879	-	-	879	879
Other financial assets									
-Derivative assets		157	-	-	157	-	157	-	157
Total financial assets		157	879	350	1,386				
Financial liabilities									
Long-term borrowings									
-Debentures	17	-	-	109,380	109,380	-	110,343	-	110,343
-Long-term borrowings from financial institution	17	-	-	1,400	1,400	-	1,415	-	1,415
Other financial liabilities									
-Derivative liabilities		2	-	-	2	-	2	-	2
Total financial liabilities		2	-	110,780	110,782				

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2022									
Financial assets									
Long-term loan to related parties	4	-	-	3,758	3,758	-	-	3,631	3,631
Investment in equity securities									
-Non-marketable equity securities		-	919	-	919	-	-	919	919
Other financial assets									
-Derivative assets		323	-	-	323	-	323	-	323
Total financial assets		323	919	3,758	5,000				
Financial liabilities									
Long-term borrowings									
-Debentures	17	-	-	123,015	123,015	-	124,543	-	124,543
-Long-term borrowings from financial institution	17	-	-	2,589	2,589	-	2,600	-	2,600
Other financial liabilities									
-Derivative liabilities		1	-	-	1	-	1	-	1
Total financial liabilities		1	-	125,604	125,605				

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Financial instruments measured at Level 2 fair values

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Swap agreements	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.
Derivatives	Derived by a model using a valuation technique that incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.
Debentures	Determined based on quoted prices in the debenture markets traded in Thai and overseas markets by using the closing price at the end of the reporting period.

Financial instruments measured at Level 3 fair values

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-marketable equity securities	- <i>Market comparison technique:</i> The valuation model is based on multiples derived from market information comparable to the investee, and adjusted for the effect of the non-marketability of the equity securities.	Adjusted multiple (1.1 - 1.3 for 2023 and 1.0 - 1.6 for 2022)	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- <i>Discounted cash flows</i>	Discount rate (11% for 2023 and 12% for 2022)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Reconciliation of Level 3 fair values

Investment in equity securities measured at FVOCI

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>Non-marketable equity securities</i>				
At 1 January	13,005	9,517	919	761
Acquisition/additional investments	6	414	-	205
Fair value adjustment	(2,595)	2,844	(40)	(47)
Currency translation differences	(27)	230	-	-
At 31 December	10,389	13,005	879	919

(b) Movement of marketable equity securities

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>Marketable equity securities</i>				
At 1 January	3,585	3,517	-	-
Fair value adjustment	(1,340)	99	-	-
Currency translation differences	-	(31)	-	-
At 31 December	2,245	3,585	-	-

(c) Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

Accounts receivables - trade and others

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities and also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 23.

Expected credit losses

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Within credit terms	33,931	34,310	1,816	2,207
Overdue 1 - 60 days	5,081	6,259	405	912
Overdue 60 - 120 days	1,215	1,178	360	19
More than 120 days	3,368	2,554	1,116	28
Total	43,595	44,301	3,697	3,166
Less allowance for expected credit losses	(1,244)	(1,080)	(198)	(3)
Net	42,351	43,221	3,499	3,163

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The outstanding balance of interest-bearing liabilities as at 31 December with the periods in which those liabilities mature were as follows:

<i>(Unit: Million Baht)</i>				
Consolidated financial statements				
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2023				
Bank overdrafts and short-term borrowings from financial institutions	86,427	-	-	86,427
Bills of exchange	58,310	-	-	58,310
Short-term borrowings from related parties	257	-	-	257
Long-term borrowings from financial institutions	27,181	101,057	3,386	131,624
Debentures	20,833	95,843	86,454	203,130
Lease liabilities	5,319	13,734	16,311	35,364
Total	198,327	210,634	106,151	515,112
Other financial liabilities	208	263	-	471
Total	208	263	-	471
2022				
Bank overdrafts and short-term borrowings from financial institutions	94,753	-	-	94,753
Bills of exchange	20,687	-	-	20,687
Short-term borrowings from related parties	1,994	-	-	1,994
Long-term borrowings from financial institutions	46,727	102,678	5,997	155,402
Debentures	19,390	86,678	106,147	212,215
Lease liabilities	4,921	14,612	15,969	35,502
Total	188,472	203,968	128,113	520,553
Other financial liabilities	152	-	-	152
Total	152	-	-	152

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

The outstanding balance of interest-bearing liabilities as at 31 December with the periods in which those liabilities mature were as follows: (Continued)

(Unit: Million Baht)

	Separate financial statements			
	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2023				
Bills of exchange	29,479	-	-	29,479
Short-term borrowings from related parties	9,490	-	-	9,490
Long-term borrowings from financial institutions	908	492	-	1,400
Debentures	16,833	55,169	37,378	109,380
Lease liabilities	166	331	2	499
Total	56,876	55,992	37,380	150,248
Other financial liabilities	2	-	-	2
Total	2	-	-	2
2022				
Bills of exchange	3,545	-	-	3,545
Short-term borrowings from related parties	11,170	-	-	11,170
Long-term borrowings from financial institutions	1,165	1,424	-	2,589
Debentures	9,940	55,154	57,921	123,015
Lease liabilities	182	426	2	610
Total	26,002	57,004	57,923	140,929
Other financial liabilities	1	-	-	1
Total	1	-	-	1

Effective interest rate of interest-bearing liabilities excluded borrowings from related parties and debentures were as follows:

(Unit: %)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Bank overdrafts, bills of exchange and borrowings from financial institutions	4.82	4.89	2.97	2.45
Lease liabilities	6.70	6.55	3.10	2.78

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily enters into forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies including anticipated future purchases and sales of goods denominated in foreign currencies. The forward exchange contracts have maturities of less than 1 year.

At 31 December the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
Foreign currency		2023	2022	2023	2022
Accounts receivable - trade and others					
Foreign currencies	Renminbi	1,551	1,358	1,532	1,358
	U.S. Dollar	1,409	1,387	475	217
	Euro	475	552	-	-
	Pound Sterling	16	23	-	-
	Won	-	-	2	-
Forward exchange contracts	Renminbi	1,546	1,358	1,532	1,358
	U.S. Dollar	964	594	475	217
	Won	-	-	2	-
Interest-bearing liabilities					
Foreign currencies	U.S. Dollar	19,655	35,313	1,409	2,588
	Euro	64	38	-	-
Forwards exchange contracts and cross currency swap agreements	U.S. Dollar	13,520	30,866	1,409	2,588
Accounts payable - trade and others					
Foreign currencies	U.S. Dollar	3,265	3,722	4	7
	Euro	412	368	-	11
	Renminbi	5	3	-	3
Forward exchange contracts	U.S. Dollar	752	476	-	2
	Euro	21	41	-	11
	Renminbi	-	3	-	3

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
Foreign currency		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Forecast sales					
Forward exchange contracts	U.S. Dollar	5,928	4,701	430	546
	Euro	356	328	-	-
	Pound Sterling	297	304	-	-
	Won	72	-	-	-
	Renminbi	3	135	3	135
Forecast purchases					
Forward exchange contracts	U.S. Dollar	9,473	1,445	2	269
	Euro	97	570	3	22

Sensitivity analysis

A reasonably possible strengthening (weakening) of Baht against U.S. dollar at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		(Unit: Million Baht)			
		Consolidated financial statements			
		<u>Profit or loss</u>		<u>Equity, net of tax</u>	
Movement (%)		<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
At 31 December 2023					
U.S. Dollar	1	82	(82)	23	(23)
At 31 December 2022					
U.S. Dollar	1	69	(69)	174	(174)
		(Unit: Million Baht)			
		Separate financial statements			
		<u>Profit or loss</u>		<u>Equity, net of tax</u>	
Movement (%)		<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
At 31 December 2023					
U.S. Dollar	1	(141)	141	(6)	6
At 31 December 2022					
U.S. Dollar	1	(74)	74	(4)	4

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages the interest rate risk of financial assets and financial liabilities by considering loan to or borrowing from including fixed and floating rate depend on the market situation. However, the interest rates of interest-bearing liabilities of the Group are mainly fixed rate. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

Cross currency swap agreements

As at 31 December 2023, the Group and the Company had cross currency swap agreements with the financial institutions to manage exposure of fluctuations in foreign exchange rates and interest rates as follows:

1) The Company had cross currency swap agreements with certain financial institutions for long-term borrowing totalling U.S. Dollar 41 million (2022: *U.S. Dollar 75 million*). The Company has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rates refer to SOFR plus specified rate.

2) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 50 million (2022: *U.S. Dollar 67 million*). The subsidiary has commitments to make payments for the fixed interest rate in Vietnamese Dong and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to SOFR plus specified rate.

Interest rate swap agreements

As at 31 December 2023, the Group had interest rate swap agreements with the financial institutions to manage exposure of fluctuations in interest rates as follows:

A subsidiary had several interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 1,541 million (2022: *U.S. Dollar 1,637 million*). The subsidiary has commitments to make payments for the fixed interest rate in U.S. Dollar and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to SOFR.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

(c.4) Cash flow hedges

The Group adopts hedge accounting for some derivatives which meet the condition of cash flow hedges instruments and determines the hedge ratio by considering the relationship of the relevant transactions and risk factors between hedged items and hedging instruments.

The Group determined hedge effectiveness at the inception of the hedge relationship, and through periodic effectiveness assessments, to ensure that an economic relationship exists between the hedged items and hedging instruments. Ineffectiveness may arise from the effect of the counterparties' and the Group's own credit risk on the fair value of the foreign exchange contracts and/or the interest swaps, which are not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates and/or interest rate, throughout the differences in the timing of the hedged transactions and/or the differences in repricing dates between the swaps and the borrowings.

At 31 December, the Group and the Company had the cash flow hedge reserve presented in other comprehensive income comprising financial instruments as follows:

	Consolidated financial statements	<i>(Unit: Million Baht)</i> Separate financial statements
2023		
Financial assets	168	(5)
Financial liabilities	1,393	4
Total	1,561	(1)
2022		
Financial assets	117	2
Financial liabilities	2,748	3
Total	2,865	5

30 Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

31 Commitments with non-related parties

At 31 December the Group had commitments with non-related parties as follows:

31.1 Capital commitments

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,495	3,664	-	-
Machinery, equipment and others	2,532	5,511	-	11
Total	<u>6,027</u>	<u>9,175</u>	<u>-</u>	<u>11</u>

31.2 Other commitments

- (a) The Company had a Cooperative Technical agreement with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at 31 December 2025. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to the agreement as at 31 December 2023 totalling Baht 18 million (2022: *Baht 15 million*).
- (b) The Company and certain subsidiaries had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 8 million and Baht 176 million, respectively (2022: *Baht 11 million and Baht 193 million, respectively*). The letters of guarantee are principally covering the guarantee for sale of goods, taxes and duties.

31.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,058 million (2022: *Baht 1,994 million*).

31.4 Contingent liabilities

Certain foreign subsidiaries have commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 116 million (2022: *Baht 116 million*).

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the financial statements
For the year ended 31 December 2023

32 Events after the reporting period

- 32.1 In January 2024, CPF Poland S.A. increased its share capital, and the Company did not acquire the increased share capital. As a result, investment in CPF Poland S.A. has changed the status from being a subsidiary to a joint venture, with the change in shareholding interests from 66.67% to 49.45%.
- 32.2 The Company offered the subscription of debentures No. 1/2024, unsubordinated and unsecured with debenture holder representative, for Baht 14,000 million during 22 - 23 February and 27 February 2024.