

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

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

**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

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# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2023 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 11 August 2023.

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

The interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of Charoen Pokphand Foods Public Company Limited, the “Company” and the Company and its subsidiaries (together referred to the “Group”) for the year ended 31 December 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

#### 2 Related party transactions

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited 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.

In addition, relationships with subsidiaries, associates, and joint ventures that have material changes are described in note 3 and 4.

##### 2.1 Significant transactions with related parties for the six-month period ended 30 June

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>(a) Income</b>				
<b>Significant influence entity</b>				
Sale of goods	5	2	-	-
Software application income	1	1	-	-

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	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2023</b>	<b>2022</b>	<b>financial statements</b>	<b>2022</b>
<b>(a) Income (Continued)</b>				
<b>Subsidiaries</b>				
Dividend income	-	-	5,066	14,837
Sale of goods	-	-	2,703	2,878
Interest income	-	-	288	296
Rental, service and other income	-	-	85	85
Gain on sale of investments	-	-	-	8,478
<b>Associates, joint ventures and related companies</b>				
Sale of goods	36,532	31,526	1,056	761
Rental, service and other income	211	185	20	23
Software application income	66	62	-	-
Interest income	54	58	-	-
Dividend income	12	60	8	6
Training and seminar income	6	4	-	-
<b>(b) Expenses and others</b>				
<b>Significant influence entity</b>				
Purchase of raw materials and goods	6,231	6,178	1,402	1,730
Trademark license fees	2,411	2,440	172	158
Acquisition of trademark	159	-	-	-
Technical service fees	49	52	-	-
<b>Subsidiaries</b>				
Purchase of raw materials and goods	-	-	1,121	731
Interest expenses	-	-	246	148
Software application fees	-	-	91	87
Training and seminar fees	-	-	16	9
Cost of right-of-use assets	-	-	-	88
Construction costs of buildings, structures and others	-	-	-	6
Other expenses	-	-	20	18

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**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

*(Unit: Million Baht)*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2023	2022	2023	2022
<b>(b) Expenses and others (Continued)</b>				
<b>Associates, joint ventures and related companies</b>				
Purchase of raw materials and goods	37,677	26,678	805	681
Transportation expenses	2,200	775	8	5
Construction costs of buildings, structures and others	1,004	1,303	8	21
Leased-related and service expenses	353	350	36	42
Cost of right-of-use assets	285	290	72	24
Supply expenses	223	216	16	17
Software application fees	180	126	-	-
Training and seminar fees	133	94	5	8
Repair and maintenance expenses	101	93	17	11
Sales promotion expenses	96	76	1	1
Other expenses	221	257	41	22

**2.2 Balances with related parties as at 30 June 2023 and 31 December 2022 were as follows:**

**2.2.1 Accounts receivable - trade and others**

*(Unit: Million Baht)*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Significant influence entity	2	3	-	-
Subsidiaries	-	-	458	616
Associates and joint ventures	7,671	8,654	19	60
Related companies	4,636	5,632	1,679	1,345
<b>Total</b>	<b>12,309</b>	<b>14,289</b>	<b>2,156</b>	<b>2,021</b>

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

*(Unit: Million Baht)*

	<b>Separate financial statements</b>		
	<b>Outstanding balance</b>		
	30 June 2023	31 December 2022	Average balance
Subsidiaries	9,867	8,020	8,983
<b>Total</b>	<b>9,867</b>	<b>8,020</b>	<b>8,983</b>

As at 30 June 2023, the short-term loans bear interest at 6.03% per annum (31 December 2022: 5.91% per annum). The Company computes the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

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## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### 2.2.3 Advance payments for purchase of goods

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Associate and joint ventures	72	53	-	-
Related companies	272	2,706	-	-
<b>Total</b>	<b>344</b>	<b>2,759</b>	<b>-</b>	<b>-</b>

### 2.2.4 Accrued dividend income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Associate	211	157	-	-
<b>Total</b>	<b>211</b>	<b>157</b>	<b>-</b>	<b>-</b>

### 2.2.5 Long-term loans to related parties

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	30 June 2023	31 December 2022	Average balance
Subsidiaries	390	3,758	443
Less current portion	(390)	(540)	(440)
<b>Net</b>	<b>-</b>	<b>3,218</b>	<b>3</b>

As at 30 June 2023, the long-term loans bear interest at 5.00% per annum (31 December 2022: 4.60% per annum). The Company computes the average balance from the outstanding balances of the loans at the end of each month excluding accrued interest income.

### 2.2.6 Other non-current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Subsidiaries	-	-	3	347
Associates and joint venture	167	93	-	-
Related companies	91	85	11	10
<b>Total</b>	<b>258</b>	<b>178</b>	<b>14</b>	<b>357</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### 2.2.7 Accounts payable - trade and others

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
			30 June 2023	31 December 2022
	Significant influence entity	502	362	101
Subsidiaries	-	-	95	96
Associates and joint ventures	7,241	8,393	5	7
Related companies	8,349	10,905	91	62
<b>Total</b>	<b>16,092</b>	<b>19,660</b>	<b>292</b>	<b>172</b>

### 2.2.8 Short-term borrowings from related parties

	(Unit: Million Baht) Consolidated financial statements		
	Outstanding balance		
	30 June 2023	31 December 2022	Average balance
Joint venture	1,070	1,104	1,083
Related companies	813	890	714
<b>Total</b>	<b>1,883</b>	<b>1,994</b>	<b>1,797</b>

	(Unit: Million Baht) Separate financial statements		
	Outstanding balance		
	30 June 2023	31 December 2022	Average balance
Subsidiary	13,620	11,170	13,328
<b>Total</b>	<b>13,620</b>	<b>11,170</b>	<b>13,328</b>

As at 30 June 2023, the borrowings bear interest at 3.77% to 6.29% per annum (31 December 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.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

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For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### 2.2.9 Lease liabilities

	(Unit: Million Baht)			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Subsidiaries	-	-	66	87
Associates	591	536	-	-
Related companies	1,681	2,687	319	311
<b>Total</b>	<b>2,272</b>	<b>3,223</b>	<b>385</b>	<b>398</b>

### 2.3 Key management personnel compensations

	(Unit: Million Baht)			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2023	2022	2023	2022
<i>For the six-month period ended 30 June</i>				
Short-term employee benefits	708	761	113	108
Post-employment under defined benefit plans	9	9	2	2
<b>Total</b>	<b>717</b>	<b>770</b>	<b>115</b>	<b>110</b>
<i>As at 30 June</i>				
Provision for employee benefits	510	496	107	106
<b>Total</b>	<b>510</b>	<b>496</b>	<b>107</b>	<b>106</b>

### 2.4 Commitments

#### Capital commitments

	(Unit: Million Baht)			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<i>Contracted but not provided for</i> Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	<b>940</b>	<b>838</b>	<b>5</b>	<b>5</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### 2.5 Significant agreement

CPF Restaurant and Food Chain Co., Ltd., a 99.97% indirectly owned subsidiary of the Company, has entered into an agreement to acquire the “FIVE STAR” trademarks and service marks being registered overseas from Charoen Pokphand Group Company Limited amounting to Baht 317 million of which Baht 159 million has been paid during the six-month period ended 30 June 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.

### 3 Investments in subsidiaries

Movements for the six-month period ended 30 June 2023 were as follows:

	<b>Consolidated</b>	<i>(Unit: Million Baht)</i>
	<b>financial statements</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Increase capital in Bellisio Investment, LLC	-	452
Increase capital in CPF Netherlands B.V.	-	1,373
Acquire investment in CPF Global Food Solution Public Company Limited	-	1,350
Transfer of investment in CPF Poland S.A. <sup>(1)</sup>	-	344
Impairment loss	-	(1,500)
<b>Net</b>	<b>-</b>	<b>2,019</b>

<sup>(1)</sup> During the year 2022, the Company increased share capital in CPF Poland S.A. amounting to Złoty 45 million or equivalent to Baht 344 million. In this regard, the registration of share capital was completed in the first quarter of 2023.

During the six-month period ended 30 June 2023, the Group sold its entire investment in CP Chozen Limited, a 79.99% indirectly owned subsidiary of the Company, to a non-related party amounting to GBP 1 million or equivalent to Baht 45 million. In this regard, the Group recognised gain on sale of investment in subsidiary of Baht 47 million.

Details of the Group’s subsidiaries as at 30 June 2023 and 31 December 2022 only those with changes during the six-month period ended 30 June 2023 were as follows:

<u>Name of the entity</u>	<u>Type of business</u>	<u>Country of incorporation</u>	<u>Ownership interest (%)</u>	
			30 June 2023	31 December 2022
<i>Newly incorporated indirect subsidiaries</i>				
1) CP-Uoriki Co., Ltd. <sup>(1)</sup>	Importer and distributor of seafood products, ready-to-cook, and ready meal	Thailand	59.98	-
2) AHM Lifestyles Pte Ltd <sup>(2)</sup>	Restaurant consulting service	Singapore	62.43	-

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For the three-month and six-month periods ended 30 June 2023 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2023	31 December 2022
<i>Newly incorporated indirect subsidiaries (Continued)</i>				
3) CP Norfolk (India) Private Limited <sup>(3)</sup>	Processed food business	India	87.99	-
<i>Indirect subsidiaries with change in interests</i>				
1) Dak Galbi Group Co., Ltd. <sup>(4)</sup>	Restaurant business	Thailand	99.98	59.99
2) CP Chozen Limited <sup>(5)</sup>	Investment	England	-	79.99
2.1) Chozen Holdings Limited	Restaurant business	England	-	79.99
2.2) Chozen Noodle Trading Limited	Property lease-out	England	-	79.99
3) Sheng Da Foods Co., Ltd. <sup>(6)</sup>	Layer chicken business	Republic of China (Taiwan)	16.27	14.92
<i>Direct and Indirect subsidiary that change name</i>				
1) CPF Global Food Solution Public Company Limited (Formerly known as CPF Trading Company Limited)	Distributor of food products	Thailand	99.98	99.98
<i>Indirect subsidiary that change name</i>				
1) RBPI AS <sup>(5)</sup> (Formerly known as Russia Baltic Pork Invest AS)	Investment	Norway	75.82	75.82

<sup>(1)</sup> A subsidiary of CPF Global Food Solution Public Company Limited

<sup>(2)</sup> A subsidiary of C.P. Vietnam Corporation

<sup>(3)</sup> A subsidiary of CPF (India) Private Limited and Norfolk Foods (Private) Limited

<sup>(4)</sup> A subsidiary of CPF (Thailand) Public Company Limited

<sup>(5)</sup> A subsidiary of CPF Netherlands B.V.

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

## 4 Investments in associates and joint ventures

Movements for the six-month period ended 30 June 2023 were as follows:

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Increase capital in Hylife Group Holdings Ltd.	1,461	-
Acquire investment in CP ALL Public Company Limited (“CPALL”)	5,037	-
Dispose investment in CPALL	(3,220)	-
Share of loss of investment	(1,981)	-
Share of other comprehensive income of investment	294	-
Dividend income	(3,352)	-
Changes in interests in joint venture	(1,354)	-
Foreign currency translation differences	(1,218)	-
<b>Net</b>	<b>(4,333)</b>	<b>-</b>

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### For the three-month and six-month periods ended 30 June 2023 (Unaudited)

The Group accounts for the investment in CPALL and CP Aextra Public Company Limited (Formerly known as Siam Makro Public Company Limited), which are listed companies in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 30 June 2023, the fair value of the investments were Baht 191,087 million and Baht 32,762 million, respectively (31 December 2022: Baht 209,047 million and Baht 37,209 million, respectively).

During the six-month period ended 30 June 2023, the Group partially sold its interest in CPALL with the carrying amount in the consolidated financial statements of Baht 3,220 million. In this regard, the Group recognised gain on sale of investments of Baht 2,190 million. As at 30 June 2023, the Group holds 34.03% interest in CPALL.

## 5 Property, plant and equipment

	<b>Consolidated</b>	<i>(Unit: Million Baht)</i> <b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
<i>For the six-month period ended 30 June 2023</i>		
Acquisition - at cost	10,217	278
Disposal - net book value	(912)	(10)
Transfer to intangible assets and expenses	(158)	-

## 6 Long-term borrowings

### Debenture

During the six-month period ended 30 June 2023, CPF (Thailand) Public Company Limited (“CPFTH”), a 99.99% directly owned subsidiary of the Company, issued unsubordinated, unsecured debentures, in registered name and with debenture holder representative as follows:

	Interest rates	Term	Maturity	<i>(Unit: Million Baht)</i> <b>Consolidated</b>
Debenture	<i>(% per annum)</i>	<i>(Year)</i>	Year	<b>financial statements</b>
1/2023	3.20 - 4.00	5 - 10	2028 - 2033	10,000
<b>Total</b>				<b>10,000</b>

CPFTH must comply with the specific covenants in the terms and conditions of the above debenture.

CPFTH registered the debentures with the Thai Bond Market Association on 31 January 2023. The debenture of CPFTH had a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 28 April 2023.

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### 7 Treasury shares

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30	31	30	31
	June	December	June	December
	2023	2022	2023	2022
<b>Ordinary shares of the Company</b>				
At 1 January	7,063	6,245	7,063	6,245
Addition	2,692	818	2,692	818
<b>Total</b>	<b>9,755</b>	<b>7,063</b>	<b>9,755</b>	<b>7,063</b>
<b>Ordinary shares of the Company held by subsidiaries</b>				
	<b>4,087</b>	<b>4,087</b>	-	-
<b>Grand total</b>	<b>13,842</b>	<b>11,150</b>	<b>9,755</b>	<b>7,063</b>

As at 30 June 2023, the Group and the Company had repurchased 838 million and 368 million treasury shares, respectively (*31 December 2022: 708 million and 238 million treasury shares, respectively*).

### 8 Segment information and disaggregation of revenue

#### *Information about reportable segments*

The Group presents the following main segments:

Segment 1 : Livestock business

Segment 2 : Aquaculture business

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2023	2022
<b>Segment revenue</b>		
Livestock business	253,730	251,376
Aquaculture business	40,297	43,507
<b>Total</b>	<b>294,027</b>	<b>294,883</b>
<b>Segment results</b>		
Livestock business	8,955	17,972
Aquaculture business	1,371	1,382
<b>Total allocated segment results</b>	<b>10,326</b>	<b>19,354</b>
Unallocated segment results	(13,396)	(11,886)
<b>Profit (loss) for the period</b>	<b>(3,070)</b>	<b>7,468</b>

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### Information about geographic areas

Details of the geographic segment financial information of the geographical area of the Group for the six-month period ended 30 June were as follows:

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>	
	2023	2022
	<u>2023</u>	<u>2022</u>
<b>Revenue from external customers</b>		
Thailand	96,311	91,977
Asia	143,076	148,142
Europe	39,124	37,867
America	14,907	16,018
Others	609	879
<b>Total</b>	<b><u>294,027</u></b>	<b><u>294,883</u></b>

Details of the geographic segment financial information of the Group as at 30 June 2023 and 31 December 2022 were as follow:

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>	
	30 June 2023	31 December 2022
	<u>2023</u>	<u>2022</u>
<b>Non-current assets (exclude deferred tax assets and other non-current financial assets)</b>		
Thailand	304,558	303,439
Asia	276,696	280,584
Europe	44,928	51,795
America	48,385	49,644
<b>Total</b>	<b><u>674,567</u></b>	<b><u>685,462</u></b>

### Disaggregation of revenue

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

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>					
	Reportable segments					
	Aquaculture business		Livestock business		Total	
	2023	2022	2023	2022	2023	2022
<b>Categories of main products</b>						
Animal feed	22,185	23,983	50,026	47,636	72,211	71,619
Animal farm products	14,201	15,879	145,081	146,675	159,282	162,554
Processed foods and ready meals	3,911	3,645	58,623	57,065	62,534	60,710
<b>Total</b>	<b><u>40,297</u></b>	<b><u>43,507</u></b>	<b><u>253,730</u></b>	<b><u>251,376</u></b>	<b><u>294,027</u></b>	<b><u>294,883</u></b>

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### For the three-month and six-month periods ended 30 June 2023 (Unaudited)

Details of revenue disaggregated by categories of main products for the six-month period ended 30 June were as follows (Continued):

	<i>(Unit: Million Baht)</i>	
	<b>Separate</b>	
	<b>financial statements</b>	
	Reportable segment	Aquaculture business
	2023	2022
<b>Categories of main products</b>		
Animal feed	7,773	7,222
Animal farm products	5,283	5,284
Processed foods and ready meals	787	914
<b>Total</b>	<b>13,843</b>	<b>13,420</b>

#### *Contract Balances*

As at 30 June 2023, the Group and the Company had contract liabilities of Baht 1,127 million and Baht 31 million, respectively (*31 December 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 30 June 2023.

## **9 Earnings (losses) per share**

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

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For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### For the three-month period ended 30 June

(Unit: Million Baht/Million shares)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>(792)</b>	<b>4,208</b>	<b>3,573</b>	<b>13,943</b>
<i>Less:</i> cumulative interest and other expense for the period net of income tax on subordinated perpetual debentures	(135)	(135)	(135)	(135)
<b>Profit (loss) used in calculation of earnings per share</b>	<b>(927)</b>	<b>4,073</b>	<b>3,438</b>	<b>13,808</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
Number of ordinary shares outstanding at beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(470)	(470)	-	-
Effect of own shares held	(289)	(204)	(289)	(204)
<b>Net</b>	<b>7,852</b>	<b>7,937</b>	<b>8,322</b>	<b>8,407</b>
<b>Basic earnings (losses) per share (in Baht)</b>	<b>(0.12)</b>	<b>0.51</b>	<b>0.41</b>	<b>1.64</b>

### For the six-month period ended 30 June

(Unit: Million Baht/Million shares)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>(3,518)</b>	<b>7,050</b>	<b>1,418</b>	<b>20,174</b>
<i>Less:</i> cumulative interest and other expense for the period net of income tax on subordinated perpetual debentures	(268)	(280)	(268)	(280)
<b>Profit (loss) used in calculation of earnings per share</b>	<b>(3,786)</b>	<b>6,770</b>	<b>1,150</b>	<b>19,894</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
Number of ordinary shares outstanding at beginning of period	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(470)	(470)	-	-
Effect of own shares held	(267)	(204)	(267)	(204)
<b>Net</b>	<b>7,874</b>	<b>7,937</b>	<b>8,344</b>	<b>8,407</b>
<b>Basic earnings (losses) per share (in Baht)</b>	<b>(0.48)</b>	<b>0.85</b>	<b>0.14</b>	<b>2.37</b>

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**10 Dividends**

Details of dividends for the six-month period ended 30 June were as follows:

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

**11 Financial Instruments**

*Carrying amounts and fair values*

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

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**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

*(Unit: Million Baht)*

	Consolidated financial statements							
	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 30 June 2023</i>								
<b>Financial assets</b>								
Investments in equity securities								
-Marketable equity securities	-	2,912	-	2,912	2,912	-	-	2,912
-Non-marketable equity securities	-	12,952	-	12,952	-	-	12,952	12,952
Other financial assets								
-Derivative assets	4,865	-	-	4,865	-	4,865	-	4,865
<b>Total financial assets</b>	<b>4,865</b>	<b>15,864</b>	<b>-</b>	<b>20,729</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
-Debentures	-	-	208,065	208,065	-	209,267	-	209,267
-Long-term borrowings from financial institutions	-	-	143,810	143,810	-	145,035	-	145,035
Other financial liabilities								
-Derivative liabilities	638	-	-	638	-	638	-	638
<b>Total financial liabilities</b>	<b>638</b>	<b>-</b>	<b>351,875</b>	<b>352,513</b>				

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**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

(Unit: Million Baht)

	Consolidated financial statements							
	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2022</i>								
<b>Financial assets</b>								
Investments 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
<b>Total financial assets</b>	<b>4,692</b>	<b>16,590</b>	<b>-</b>	<b>21,282</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	212,215	212,215	-	214,644	-	214,644
- Long-term borrowings from financial institution	-	-	155,402	155,402	-	156,724	-	156,724
Other financial liabilities								
- Derivative liabilities	152	-	-	152	-	152	-	152
<b>Total financial liabilities</b>	<b>152</b>	<b>-</b>	<b>367,617</b>	<b>367,769</b>				

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**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

(Unit: Million Baht)

	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 30 June 2023</i>								
<b>Financial assets</b>								
Long term loans to related parties	-	-	390	390	-	-	361	361
Investments in equity securities								
- Non-marketable equity securities	-	959	-	959	-	-	959	959
Other financial assets								
- Derivative assets	277	-	-	277	-	277	-	277
<b>Total financial assets</b>	<b>277</b>	<b>959</b>	<b>390</b>	<b>1,626</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	115,015	115,015	-	116,295	-	116,295
- Long-term borrowings from financial institutions	-	-	1,940	1,940	-	1,944	-	1,944
Other financial liabilities								
- Derivative liabilities	32	-	-	32	-	32	-	32
<b>Total financial liabilities</b>	<b>32</b>	<b>-</b>	<b>116,955</b>	<b>116,987</b>				

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**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

(Unit: Million Baht)

	Separate financial statements							
	Carrying amount			Total	Fair value			
	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost			Level 1	Level 2	Level 3
<i>At 31 December 2022</i>								
<b>Financial assets</b>								
Long term loans to related parties	-	-	3,758	3,758	-	-	3,631	3,631
Investments in equity securities								
- Non-marketable equity securities	-	919	-	919	-	-	919	919
Other financial assets								
- Derivative assets	323	-	-	323	-	323	-	323
<b>Total financial assets</b>	<b>323</b>	<b>919</b>	<b>3,758</b>	<b>5,000</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	123,015	123,015	-	124,543	-	124,543
- Long-term borrowings from financial institution	-	-	2,589	2,589	-	2,600	-	2,600
Other financial liabilities								
- Derivative liabilities	1	-	-	1	-	1	-	1
<b>Total financial liabilities</b>	<b>1</b>	<b>-</b>	<b>125,604</b>	<b>125,605</b>				

There were no significant changes of valuation technique of financial instruments measured at fair value in the statements of financial position during the period.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

### Expected credit losses

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Within credit terms	33,065	34,310	2,289	2,207
Overdue 1 - 60 days	4,844	6,259	427	912
Overdue 60 - 120 days	1,114	1,178	189	19
More than 120 days	2,770	2,554	792	28
<b>Total</b>	<b>41,793</b>	<b>44,301</b>	<b>3,697</b>	<b>3,166</b>
Less allowance for expected credit losses	(1,062)	(1,080)	(4)	(3)
<b>Net</b>	<b>40,731</b>	<b>43,221</b>	<b>3,693</b>	<b>3,163</b>

## 12 Commitments with non-related parties

### 12.1 Capital commitments

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<i>Contracted but not provided for</i>				
Land, buildings and constructions	3,536	3,664	-	-
Machinery, equipment and others	4,560	5,511	2	11
<b>Total</b>	<b>8,096</b>	<b>9,175</b>	<b>2</b>	<b>11</b>

### 12.2 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 on 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 30 June 2023 totalling Baht 19 million (31 December 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 189 million, respectively (31 December 2022: Baht 11 million and Baht 193 million, respectively). The letters of guarantee principally cover the guarantee for sale of goods, taxes and duties.

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

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

### **For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

#### **12.3 Letters of credit**

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,213 million (*31 December 2022: Baht 1,994 million*).

#### **12.4 Contingent Liabilities**

Certain foreign subsidiaries had commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totaling Baht 60 million (*31 December 2022: Baht 116 million*).

#### **13 Collateral for liabilities**

As at 30 June 2023, certain foreign subsidiaries had secured borrowings from financial institutions which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 16,209 million (*31 December 2022: Baht 17,746 million*), current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 6,017 million (*31 December 2022: Baht 6,743 million*), and ordinary shares of a foreign subsidiary of Baht 2,525 million (*31 December 2022: Baht 3,182 million*).

#### **14 Other information**

On 12 April 2023, CPF Global Food Solution Public Company Limited (“CPFSG”), a 99.98% directly and indirectly owned subsidiary of the Company, has filed an application for approval and the registration statement and draft prospectus in respect of the initial public offering of its newly issued ordinary shares (“IPO”) with the Office of the Securities and Exchange Commission (the “SEC Office”), and has filed an application for the listing of its ordinary shares as registered securities on the Stock Exchange of Thailand (the “SET”) with the SET. In this regard, the CPFSG’s issuance and initial public offering comprise of an offering of not exceeding 66,700,000 newly issued ordinary shares of CPFSG and an offering of certain portions of ordinary shares of CPFSG held by the Company and a subsidiary of not exceeding 316,655,000 shares and 116,655,000 shares, respectively. After completion of the IPO, the shareholding of the Group in CPFSG will be no less than 70% of total issued and paid-up ordinary shares of CPFSG and CPFSG will remain as a subsidiary of the Group.