

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

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

**For the three-month and nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 13 November 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 nine-month period ended 30 September

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
(a)	<b>Income</b>				
	<b>Significant influence entity</b>				
	Sale of goods	9	3	-	-
	Software application income	2	2	-	-
	Rental, service and other income	1	-	-	-

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				<i>(Unit: Million Baht)</i>	
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>(a)</b>	<b><i>Income (Continued)</i></b>				
	<b>Subsidiaries</b>				
	Dividend income	-	-	8,147	16,542
	Sale of goods	-	-	4,461	4,207
	Interest income	-	-	449	513
	Rental, service and other income	-	-	128	127
	Gain on sale of fixed assets	-	-	1	-
	Gain on sale of investments	-	-	-	8,478
	<b>Associates, joint ventures and related companies</b>				
	Sale of goods	57,796	49,787	1,246	1,764
	Rental, service and other income	397	274	30	32
	Interest income	98	86	-	-
	Software application income	95	101	-	-
	Dividend income	12	60	8	6
	Training and seminar income	9	7	-	-
<b>(b)</b>	<b><i>Expenses and others</i></b>				
	<b>Significant influence entity</b>				
	Purchase of raw materials and goods	9,113	9,177	1,875	2,280
	Trademark license fees	3,560	3,735	251	255
	Acquisition of trademark	159	-	-	-
	Technical service fees	73	81	-	-
	<b>Subsidiaries</b>				
	Purchase of raw materials and goods	-	-	1,488	1,202
	Interest expenses	-	-	383	282
	Software application fees	-	-	134	130
	Training and seminar fees	-	-	23	16
	Cost of right-of-use assets	-	-	-	89
	Other expenses	-	-	32	35

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## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	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	57,990	40,082	944	988
Transportation expenses	3,341	1,655	13	8
Construction costs of buildings, structures and others	1,587	2,058	11	32
Cost of right-of-use assets	1,040	534	75	130
Leased-related and service expenses	569	524	54	58
Supply expenses	335	334	24	26
Software application fees	269	206	-	-
Training and seminar fees	200	150	7	9
Purchase of equipment and others	188	134	32	15
Sales promotion expenses	155	130	2	1
Repair and maintenance expenses	147	136	27	21
Trademark license fees	25	137	-	-
Other expenses	193	152	31	22

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

### 2.2.1 Accounts receivable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Significant influence entity	1	3	-	-
Subsidiaries	-	-	636	616
Associates and joint ventures	8,421	8,654	2	60
Related companies	4,702	5,632	1,613	1,345
<b>Total</b>	<b>13,124</b>	<b>14,289</b>	<b>2,251</b>	<b>2,021</b>

### 2.2.2 Short-term loans to related parties

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	30 September 2023	31 December 2022	Average balance
Subsidiaries	10,105	8,020	9,266
<b>Total</b>	<b>10,105</b>	<b>8,020</b>	<b>9,266</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

As at 30 September 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.

#### 2.2.3 Advance payments for purchase of goods

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Associates and joint ventures	84	53	-	-
Related companies	235	2,706	-	-
<b>Total</b>	<b>319</b>	<b>2,759</b>	<b>-</b>	<b>-</b>

#### 2.2.4 Accrued dividend income

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Subsidiaries	-	-	449	-
Associate	217	157	-	-
<b>Total</b>	<b>217</b>	<b>157</b>	<b>449</b>	<b>-</b>

#### 2.2.5 Long-term loans to related parties

	<b>Consolidated financial statements</b>		
	<b>Outstanding balance</b>		
	30 September 2023	31 December 2022	Average balance
Joint venture	1,011	-	337
<b>Total</b>	<b>1,011</b>	<b>-</b>	<b>337</b>

	<b>Separate financial statements</b>		
	<b>Outstanding balance</b>		
	30 September 2023	31 December 2022	Average balance
Subsidiaries	370	3,758	423
Less current portion	-	(540)	(337)
<b>Net</b>	<b>370</b>	<b>3,218</b>	<b>86</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

As at 30 September 2023, the long-term loans bear interest at 4.62% and 13.20% per annum (31 December 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.

#### 2.2.6 Other non-current assets

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Subsidiaries	-	-	3	347
Associates and joint venture	167	93	-	-
Related companies	116	85	11	10
<b>Total</b>	<b>283</b>	<b>178</b>	<b>14</b>	<b>357</b>

#### 2.2.7 Accounts payable - trade and others

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Significant influence entity	515	362	66	7
Subsidiaries	-	-	36	96
Associates and joint ventures	7,381	8,393	4	7
Related companies	8,965	10,905	66	62
<b>Total</b>	<b>16,861</b>	<b>19,660</b>	<b>172</b>	<b>172</b>

#### 2.2.8 Short-term borrowings from related parties

	<b>Consolidated financial statements</b>		
	<b>Outstanding balance</b>		
	30 September 2023	31 December 2022	Average balance
Joint venture	1,150	1,104	1,105
Related companies	714	890	776
<b>Total</b>	<b>1,864</b>	<b>1,994</b>	<b>1,881</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

### 2.2.8 Short-term borrowings from related parties (continued)

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	30 September 2023	31 December 2022	Average balance
Subsidiary	14,420	11,170	13,842
<b>Total</b>	<b>14,420</b>	<b>11,170</b>	<b>13,842</b>

As at 30 September 2023, the borrowings bear interest at 3.76% to 6.25% 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.

### 2.2.9 Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Subsidiaries	-	-	57	87
Associates	591	536	-	-
Related companies	2,253	2,687	293	311
<b>Total</b>	<b>2,844</b>	<b>3,223</b>	<b>350</b>	<b>398</b>

## 2.3 Key management personnel compensations

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>For the nine-month period ended 30 September</b>				
Short-term employee benefits	1,210	1,351	173	172
Post-employment under defined benefit plans	13	15	3	3
<b>Total</b>	<b>1,223</b>	<b>1,366</b>	<b>176</b>	<b>175</b>
<b>As at 30 September</b>				
Provision for employee benefits	524	502	108	107
<b>Total</b>	<b>524</b>	<b>502</b>	<b>108</b>	<b>107</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

### 2.4 Commitments

#### *Capital commitments*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 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>746</b>	<b>838</b>	<b>5</b>	<b>5</b>

### 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 nine-month period ended 30 September 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 nine-month period ended 30 September 2023 were as follows:

	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
Acquire investment in Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (“CPE”)	-	2,597
Increase capital in CPF Netherlands B.V.	-	2,428
Acquire investment in CPF Global Food Solution Public Company Limited	-	1,350
Other acquisitions/additional investments	-	487
Transfer of investment in CPF Poland S.A. <sup>(1)</sup>	-	344
Disposals	-	(150)
Impairment loss	-	(2,250)
<b>Net</b>	<b>-</b>	<b>4,806</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.



# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

During the nine-month period ended 30 September 2023, the Company acquired 29 million shares of CPE, a direct and indirect subsidiary, amounting to USD 74 million or equivalent to Baht 2,597 million from CPF Investment Limited (“CPFI”), a direct subsidiary, by offsetting the consideration of the shares with dividend income from CPFI.

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

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2023	31 December 2022
<b><i>Newly incorporated indirect subsidiaries</i></b>				
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	-
3) CPF Australia Pty Ltd <sup>(1)</sup>	Importer/exporter and distributor of processed food, including ready-to-eat products	Australia	99.98	-
4) CP Norfolk (India) Private Limited <sup>(3)</sup>	Processed food business	India	87.99	-
<b><i>Indirect subsidiary from share acquisition</i></b>				
1) Kalino Food AB <sup>(8)</sup>	Importer/exporter and distributor of fresh, chilled and frozen meat products	Sweden	31.19	15.08
<b><i>Indirect subsidiaries with change in interests</i></b>				
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)	16.07	14.92
<b><i>Liquidated indirect subsidiary</i></b>				
1) Charoen Pokphand Feedmills (M) Sdn. Bhd. <sup>(7)</sup>	Production and sale of processing meat and livestock farming	Malaysia	-	100.00
<b><i>Direct and Indirect subsidiary that changes name</i></b>				
1) CPF Global Food Solution Public Company Limited (Formerly known as CPF Trading Company Limited)	Distributor of food products	Thailand	99.98	99.98

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<u>Name of the entity</u>	<u>Type of business</u>	<u>Country of incorporation</u>	<u>Ownership interest (%)</u>	
			30 September 2023	31 December 2022
<i>Indirect subsidiary that changes 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 AHM Lifestyles - Creative Hospitality Joint Stock Company

<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 Rui Fu Foods Co., Ltd.

<sup>(7)</sup> A subsidiary of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.

<sup>(8)</sup> A subsidiary of CPF Denmark A/S

## 4 Investments in associates and joint ventures

Movements for the nine-month period ended 30 September 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")	9,216	-
Other acquisitions/additional investments	64	-
Dispose investment in CPALL	(5,106)	-
Share of loss of investment	(1,453)	-
Share of other comprehensive income of investment	233	-
Dividend income	(3,570)	-
Changes in interests in joint venture	(1,354)	-
Foreign currency translation differences	263	-
Others	(27)	-
<b>Net</b>	<b>(273)</b>	<b>-</b>

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 September 2023, the fair value of the investments were Baht 185,208 million and Baht 30,188 million, respectively (31 December 2022: Baht 209,047 million and Baht 37,209 million, respectively).

During the nine-month period ended 30 September 2023, the Group partially sold its interest in CPALL with the carrying amount in the consolidated financial statements of Baht 5,106 million. In this regard, the Group recognised gain on sale of investments of Baht 3,475 million. As at 30 September 2023, the Group holds 34.21% interest in CPALL.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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### 5 Property, plant and equipment

	<i>(Unit: Million Baht)</i>
	<b>Consolidated financial statements</b>
	<b>Separate financial statements</b>
<i>For the nine-month period ended 30 September 2023</i>	
Acquisition - at cost	15,565
Disposal - net book value	(1,187)
Transfer to intangible assets and expenses	(243)
Reversal of impairment loss	61
Surplus on revaluation	192

### 6 Long-term borrowings

#### *Debentures*

During the nine-month period ended 30 September 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:

	<i>(Unit: Million Baht)</i>
	<b>Consolidated</b>
	<b>financial statements</b>
Debentures	
Interest rates	
(% per annum)	
Term	
(Year)	
Maturity	
Year	
1/2023	10,000
2/2023	4,000
<b>Total</b>	<b>14,000</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 8 September 2023. The debenture of CPFTH had a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 14 September 2023.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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### 7 Treasury shares

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30	31	30	31
	September	December	September	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 September 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*) and the share repurchase program for financial management purpose has completed.

In this regard, the Company will proceed with the decrease of registered capital on the remaining undistributed treasury shares within the deadline of 198 million shares amounting to Baht 6,088 million in quarter 4 of 2023.

### 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

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2023	2022
<i><b>Segment revenue</b></i>		
Livestock business	380,032	388,866
Aquaculture business	58,493	66,283
<b>Total</b>	<b>438,525</b>	<b>455,149</b>
<i><b>Segment results</b></i>		
Livestock business	12,990	28,384
Aquaculture business	999	1,504
<b>Total allocated segment results</b>	<b>13,989</b>	<b>29,888</b>
Unallocated segment results	(18,268)	(17,322)
<b>Profit (loss) for the period</b>	<b>(4,279)</b>	<b>12,566</b>

#### *Information about geographic areas*

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2023	2022
<i><b>Revenue from external customers</b></i>		
Thailand	141,696	141,311
Asia	214,941	227,974
Europe	58,724	59,400
America	22,153	25,261
Others	1,011	1,203
<b>Total</b>	<b>438,525</b>	<b>455,149</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

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

	(Unit: Million Baht)	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	30 September 2023	31 December 2022
<i>Non-current assets (exclude deferred tax assets and other non-current financial assets)</i>		
Thailand	309,119	303,439
Asia	280,018	280,584
Europe	42,109	51,795
America	50,475	49,644
<b>Total</b>	<b>681,721</b>	<b>685,462</b>

#### Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the nine-month period ended 30 September 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	31,586	36,740	73,681	73,449	105,267	110,189
Animal farm products	20,999	24,000	217,198	227,792	238,197	251,792
Processed foods and ready meals	5,908	5,543	89,153	87,625	95,061	93,168
<b>Total</b>	<b>58,493</b>	<b>66,283</b>	<b>380,032</b>	<b>388,866</b>	<b>438,525</b>	<b>455,149</b>

	(Unit: Million Baht)	
	<b>Separate</b>	
	<b>financial statements</b>	
	Reportable segment Aquaculture business	
	2023	2022
<b>Categories of main products</b>		
Animal feed	11,482	11,271
Animal farm products	7,542	8,518
Processed foods and ready meals	1,238	1,455
<b>Total</b>	<b>20,262</b>	<b>21,244</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

### *Contract Balances*

As at 30 September 2023, the Group and the Company had contract liabilities of Baht 1,305 million and Baht 19 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 September 2023.

## 9 Earnings (losses) per share

The calculations of earnings (losses) per share for the three-month and nine-month periods ended 30 September 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 nine-month periods ended as follows:

### *For the three-month period ended 30 September*

	(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>(1,811)</b>	<b>5,108</b>	<b>1,233</b>	<b>856</b>
<i>Less: cumulative interest and other expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(136)</i>	<i>(138)</i>	<i>(136)</i>	<i>(138)</i>
<b>Profit (loss) used in calculation of earnings per share</b>	<b><u>(1,947)</u></b>	<b><u>4,970</u></b>	<b><u>1,097</u></b>	<b><u>718</u></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	(368)	(204)	(368)	(204)
<b>Net</b>	<b><u>7,773</u></b>	<b><u>7,937</u></b>	<b><u>8,243</u></b>	<b><u>8,407</u></b>
<b>Basic earnings (losses) per share (in Baht)</b>	<b><u>(0.25)</u></b>	<b><u>0.63</u></b>	<b><u>0.13</u></b>	<b><u>0.09</u></b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

*For the nine-month period ended 30 September*

	(Unit: Million Baht/Million shares)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>(5,328)</b>	<b>12,158</b>	<b>2,651</b>	<b>21,030</b>
<i>Less: cumulative interest and other expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(404)</i>	<i>(418)</i>	<i>(404)</i>	<i>(418)</i>
<b>Profit (loss) used in calculation of earnings per share</b>	<b><u>(5,732)</u></b>	<b><u>11,740</u></b>	<b><u>2,247</u></b>	<b><u>20,612</u></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	(301)	(204)	(301)	(204)
<b>Net</b>	<b><u>7,840</u></b>	<b><u>7,937</u></b>	<b><u>8,310</u></b>	<b><u>8,407</u></b>
<b>Basic earnings (losses) per share (in Baht)</b>	<b><u>(0.73)</u></b>	<b><u>1.48</u></b>	<b><u>0.27</u></b>	<b><u>2.45</u></b>

## 10 Dividends

Details of dividends for the nine-month period ended 30 September 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><u>2,927</u></b>	
<b>2022</b>				
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
<b>Total</b>			<b><u>5,465</u></b>	



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**For the three-month and nine-month periods ended 30 September 2023 (Unaudited)**

**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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(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
<b>At 30 September 2023</b>								
<b>Financial assets</b>								
Long-term loans to related party	-	-	1,011	1,011	-	-	1,029	1,029
Investments in equity securities								
-Marketable equity securities	-	3,134	-	3,134	3,134	-	-	3,134
-Non-marketable equity securities	-	11,881	-	11,881	-	-	11,881	11,881
Other financial assets								
-Derivative assets	5,683	-	-	5,683	-	5,683	-	5,683
<b>Total financial assets</b>	<b>5,683</b>	<b>15,015</b>	<b>1,011</b>	<b>21,709</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
-Debentures	-	-	206,825	206,825	-	203,560	-	203,560
-Long-term borrowings from financial institutions	-	-	146,478	146,478	-	147,572	-	147,572
Other financial liabilities								
-Derivative liabilities	610	-	-	610	-	610	-	610
<b>Total financial liabilities</b>	<b>610</b>	<b>-</b>	<b>353,303</b>	<b>353,913</b>				

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 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
<b>At 31 December 2022</b>								
<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 institutions	-	-	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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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2023 (Unaudited)**

(Unit: Million Baht)

	Separate 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
<b>At 30 September 2023</b>								
<b>Financial assets</b>								
Long term loans to related party	-	-	370	370	-	-	343	343
Investments in equity securities								
- Non-marketable equity securities	-	910	-	910	-	-	910	910
Other financial assets								
- Derivative assets	329	-	-	329	-	329	-	329
<b>Total financial assets</b>	<b>329</b>	<b>910</b>	<b>370</b>	<b>1,609</b>				
<b>Financial liabilities</b>								
Long-term borrowings								
- Debentures	-	-	113,075	113,075	-	111,946	-	111,946
- Long-term borrowings from financial institutions	-	-	1,509	1,509	-	1,508	-	1,508
Other financial liabilities								
- Derivative liabilities	104	-	-	104	-	104	-	104
<b>Total financial liabilities</b>	<b>104</b>	<b>-</b>	<b>114,584</b>	<b>114,688</b>				

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**Notes to the interim financial statements**

**For the three-month and nine-month periods ended 30 September 2023 (Unaudited)**

(Unit: Million Baht)

	Separate 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
<b>At 31 December 2022</b>								
<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 nine-month periods ended 30 September 2023 (Unaudited)

### *Expected credit losses*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Within credit terms	32,249	34,310	1,679	2,207
Overdue 1 - 60 days	5,111	6,259	603	912
Overdue 60 - 120 days	1,324	1,178	302	19
More than 120 days	3,035	2,554	808	28
<b>Total</b>	<b>41,719</b>	<b>44,301</b>	<b>3,392</b>	<b>3,166</b>
<i>Less allowance for expected credit losses</i>	(1,100)	(1,080)	(3)	(3)
<b>Net</b>	<b>40,619</b>	<b>43,221</b>	<b>3,389</b>	<b>3,163</b>

## 12 Commitments with non-related parties

### 12.1 Capital commitments

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<i>Contracted but not provided for</i>				
Land, buildings and constructions	4,148	3,664	-	-
Machinery, equipment and others	5,621	5,511	2	11
<b>Total</b>	<b>9,769</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 September 2023 totaling Baht 18 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 totaling Baht 8 million and Baht 249 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 nine-month periods ended 30 September 2023 (Unaudited)**

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

Certain subsidiaries had commitments under the issued letters of credit totaling Baht 1,574 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 46 million (*31 December 2022: Baht 116 million*).

### **13 Collateral for liabilities**

As at 30 September 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 17,536 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 5,846 million (*31 December 2022: Baht 6,743 million*), and ordinary shares of a foreign subsidiary of Baht 2,346 million (*31 December 2022: Baht 3,182 million*).

### **14 Other information**

On 12 April 2023, CPF Global Food Solution Public Company Limited (“CPFGS”), a 99.98% directly and indirectly owned subsidiary of the Company, has filed an application for approval, the registration statement and the 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 which were approved on 22 September 2023. In this regard, CPFGS will offer not exceeding 500,010,000 ordinary shares, comprising of an offering not exceeding 66,700,000 newly issued ordinary shares of CPFGS and an offering of certain portion of ordinary shares of CPFGS held by the Company and a subsidiary of not exceeding 316,655,000 shares and 116,655,000 shares, respectively, with a par value of Baht 0.5 per share. After completion of the IPO, the shareholding of the Group in CPFGS will be no less than 70% of total issued and paid-up ordinary shares of CPFGS and CPFGS will remain as a subsidiary of the Group.

### **15 Event after the reporting period**

In October 2023, the Company entered into a share purchase agreement to acquire the entire shares in Stesha LLC, a 99.99% indirectly owned subsidiary of the Company, amounting to USD 678 million or equivalent to Baht 24,849 million from CPF Netherlands B.V. (“CPFN”), a 99.99% directly owned subsidiary of the Company, by offsetting the consideration of the shares with a receipt from share capital decrease in CPFN. In this regard, Stesha LLC will become a direct subsidiary of the Company and there will be no impact to the consolidated financial statements.