



Charoen Pokphand Foods Public Company Limited

Annual Report 2023 (Form 56-1 One Report)

KITCHEN OF THE WORLD

Nurturing the Health of the World



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Definition : "The Company" mentioned in Part 1-2 refers to Charoen Pokphand Foods Plc. ("CPF") and its subsidiaries (companies which CPF has direct and indirect control)

In case this 2023 Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of 2023 Annual Report (Form 56-1 One Report). The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in this 2023 Annual Report (Form 56-1 One Report).

Message from Executives



The Company's goal is to attain **Net Zero Emissions by the year 2050** across its entire value chain.

We are the **first food company** that has been approved for both short-term and long-term goals which align with the **Forest, Land and Agriculture Guidance (FLAG)** standards for agriculture and food industry by **the Science Based Targets initiative (SBTi)**.

Charoen Pokphand Foods Public Company Limited operates a fully integrated agro-industrial and food business, aiming to establish food security to become **"Kitchen of the World"**. The Company and its joint investments have manufacturing base in 17 countries and distribution networks extending over 50 countries globally. The Company is committed to develop and deliver highly nutritious food products that satisfy consumers. Our production process and operations strive to maintain the balance between economic success and creating shared value with all stakeholders, in accordance with the 3 Benefit Principles of Charoen Pokphand Group

that aims for benefits of the country, the people, and the Company, all under the umbrella of good corporate governance.

In the past year, the economic landscape faced significant challenges stemming from various factors. These included a less-than-anticipated rise in purchasing power, heightened agricultural raw material expenses due to political tensions, escalated interest rates, and an oversupply of meats across several nations. Consequently, the Company's performance in 2023 fell short of expectations, evidenced by a total sales revenue of

585,844 million baht, a 5% decline compared to 2022. Assets were valued at 887,218 million baht, with a tax expense of 4,442 million baht*, resulting in a net loss of 5,207 million baht.

In the face of these challenges, the Company focuses on enhancing operational efficiency and maximizing yields from its assets by reducing investments in sectors where growth opportunities do not align with current conditions. Nevertheless, the Company continues to uphold operational strategies that emphasize fostering an innovative organizational culture. This approach aims to refine operational processes, products, and services to resonate with evolving consumer and stakeholder behaviors.

Although the economic growth undergoes various challenges, the Company does not neglect the balance in sustainable development, maintaining stakeholders' human rights, climate change management, water resources management, and biodiversity. Through effective corporate governance practices, the Company ensures food security in both stable and crisis situations.

In 2023, one of our missions was to announce the goal to achieve **Net Zero Emissions by 2050**. The Company becomes one of seven companies worldwide to join pilot projects and is the first food company that has been approved for both short-term and long-term goals which align with the Forest, Land and Agriculture Guidance (FLAG) standards for agriculture and food industry by the Science Based Targets initiative (SBTi). Such mission is beneficial to business operations and environmental management.

On behalf of the Board of Directors, executives, and employees, we would like to extend our gratitude to all stakeholders for continuous support and trust. The Company is committed to operates business following the vision of **"Kitchen of the World"** to strengthen food security based on the good corporate governance with the consideration of the society, communities, and environment as well as sustainable economic growth.



Mr. Soopakij Chearavanont
Chairman



Mr. Prasit Boondoungprasert
Chief Executive Officer



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* Income tax paid according to the cashflow statement in Charoen Pokphand Foods Public Company Limited and its subsidiaries.

Our Purpose

Vision

Kitchen of the World
Creating food security to consumers worldwide

Mission

The Company operates **vertically integrated agro-industrial and food businesses** to offer top-quality products in terms of nutrition, taste, food safety, and traceability. The company emphasizes the creation of a **world-class, modernized production process**, as well as efficient and **eco-friendly** consumption of natural resources, in order to enhance its competencies and competitive edge on an international level. The Company takes into account the interests of all stakeholders to ensure **sustainable growth** while continuously generate appropriate returns to shareholders.



Kitchen of the World

Corporate Strategic Direction

Sustainable Growth



Expand integrated agro-industrial and food business



Enhance capability to become a global company

Aiming for Excellent



Be a leader in quality and food safety



Promote innovation and efficiency enhancement

Building Solid Foundation



Focus on people development



Take responsibility for society and environment

Corporate Governance



Three Benefits to Sustainability
(for the Country, People and the Company)



Adapt to Change



Speed and Quality



Simplification



Integrity, Honesty and Reciprocity



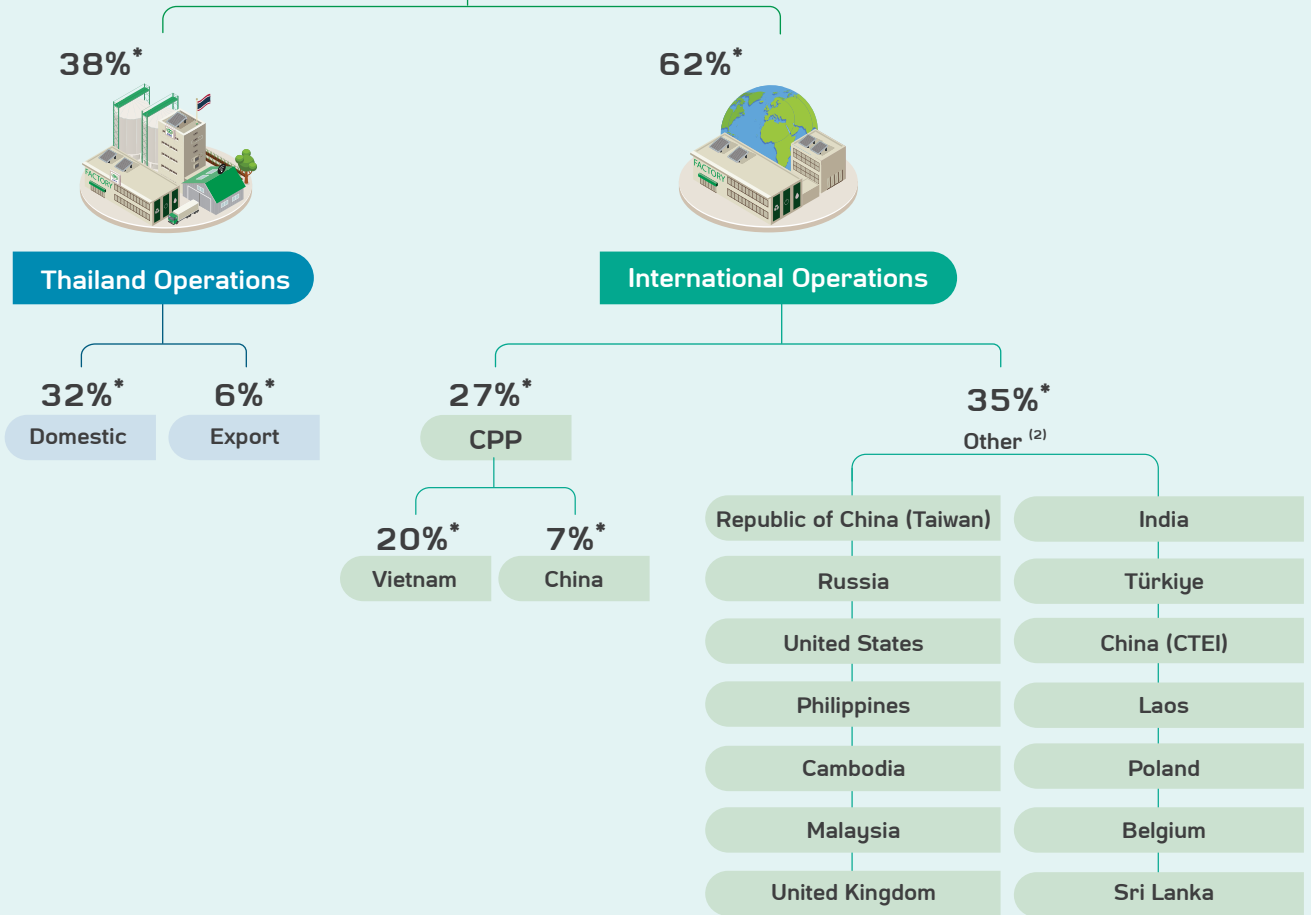
Innovativeness

CPF Operation Structure

as of 31 December 2023



* % of Sales Revenue in 2023



Associate and JV of CPP ⁽¹⁾

CP-Meiji	(59.99%)	SuperDrob	(49.45%)	Well Well Invest S.A.	(33.33%)
HyLife Investment	(50.10%)	Camanor Productos Marinhos	(40.00%)	Associate and JV of CPP ⁽³⁾	
Ross Breeders Siam	(49.99%)	CP ALL	(34.45%)	Chia Tai Investment	
Arbor Acres Thailand	(49.98%)	CP AXTRA	(8.85%)	(26.69%)	

Note :

⁽¹⁾ % of shareholding represent both direct and indirect holding. Presenting only major associates and joint ventures.

⁽²⁾ List of other operation areas.

⁽³⁾ Group of associate and joint venture of CPP. Details are available in Note to Financial Statements for the year 2023.

CPF Worldwide

The Company and its joint investments have manufacturing base in 17 countries.

The Company's manufacturing bases worldwide

North America

(2 countries)



Europe

(5 countries)



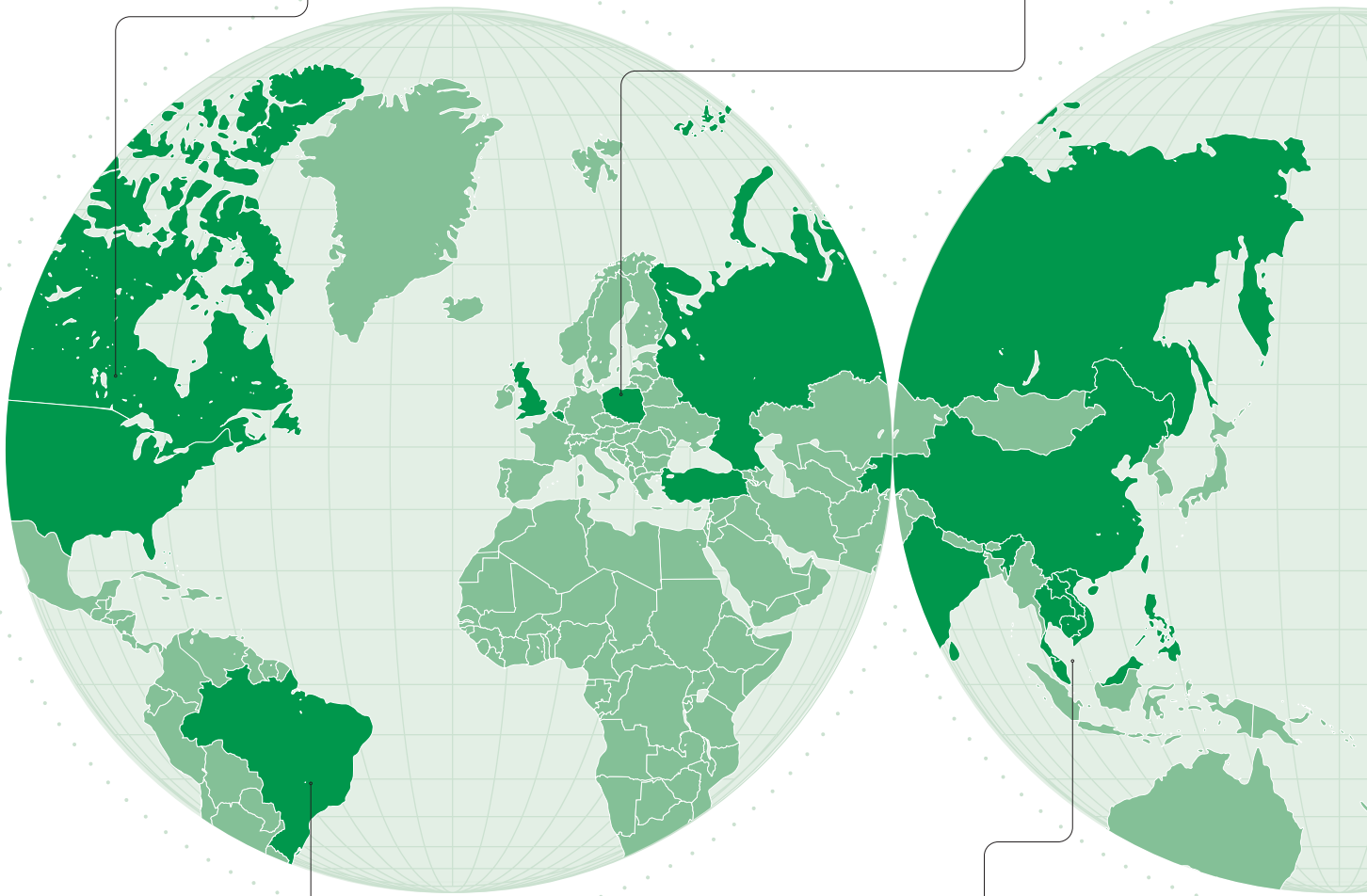
South America

(1 country)



Asia

(9 countries)



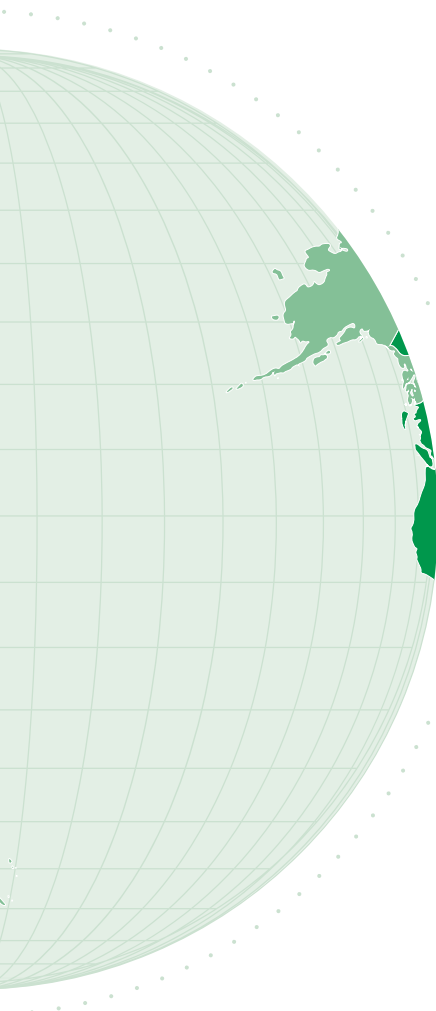
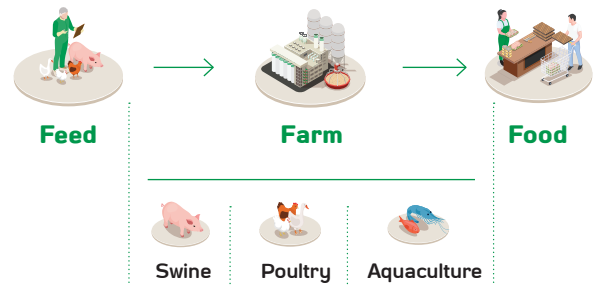


Distribute to
>50 countries
5 continents



Cater to
>4,000 million people

As of 31 December 2023



	Feed	Swine	Poultry	Aquaculture	Food
Asia					
Thailand	●	●	●	●	●
China	●*	●*	●	●	●
Republic of China (Taiwan)	●	●	●		●
Vietnam	●	●	●	●	●
India	●		●	●	●
Cambodia	●	●	●		●
Philippines	●	●	●	●	●
Malaysia	●	●	●	●	●
Laos	●	●	●		●
Sri Lanka				●	●
Europe					
United Kingdom					●
Russia	●	●	●		●
Türkiye	●		●		●
Belgium					●
Poland	●		●		●
North America					
United States				●	●
Canada*	●	●			
South America					
Brazil*				●	

Note : * Business of associates and joint ventures.

Business at a Glance

The Company operates a vertically integrated agro-industrial and food business in animal proteins, with main animals namely swine, broiler, shrimp, and layers. The process starts from animal feed production, commercial animal breeding, farm operation, primary processing, manufacturing of food and ready-to-eat products, meat and food products distribution as well as restaurants. The businesses are categorized into 3 product categories.



1 Feed Business

Production and distribution of animal feed as well as pet snacks.

Committed to develop innovation in feed production processes as well as pet snacks, while prioritizing environmental conservation and surrounding communities. In addition, raw material are sourced locally to support local agricultural production with traceability system of raw materials, fostering transparency and trust from stakeholders.

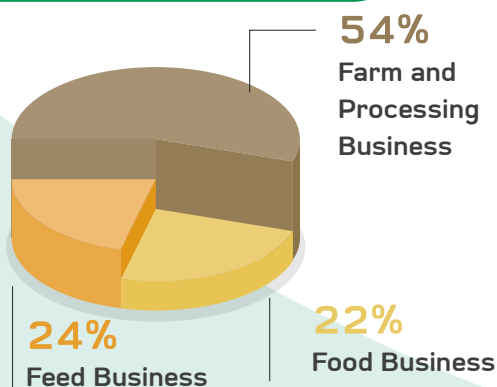


2 Farm and Processing Business

Animal breeding, commercial farming, and primary processing as well as distribution of fresh meat.

The Company leverages modern technology and extensive field experience to foster competitive and environmentally friendly practices. Throughout the entire farm process well-being of animals are prioritized based on international animal welfare principles, to produce products of the highest quality and safety.

Sales Revenue Breakdown by Product



Scope of Business Operations Consisted of 2 Main Categories



Thailand Operation

38%
of total revenue

Operate an integrated agro-industrial and food business for domestic distribution in Thailand, as well as export to more than 50 countries worldwide.



International Operation

62%
of total revenue

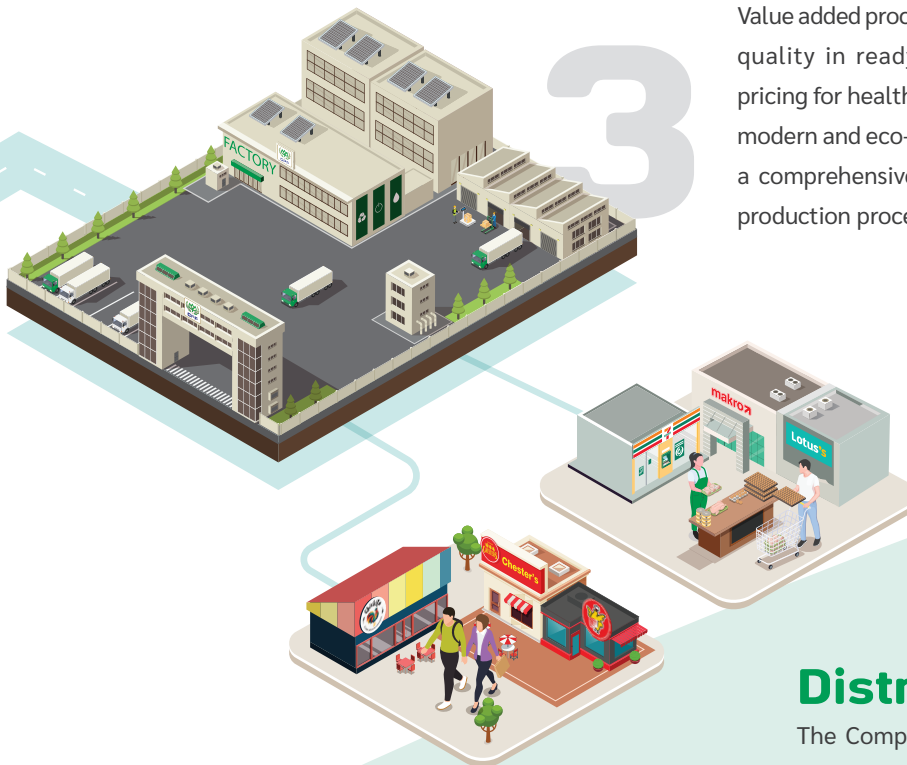
Operates in integrated agro-industrial and food business across 16 countries outside Thailand namely, Vietnam, China as well as Republic of China (Taiwan), Russia, India, United States, United Kingdom, Philippines, Cambodia, Malaysia, Türkiye, Laos, Poland, Belgium, Sri Lanka and joint investment in Canada and Brazil.

3

Food Business

Produces and distributes a variety of processed meat products, including semi-cooked, cooked or ready-to-eat, as well as restaurants business.

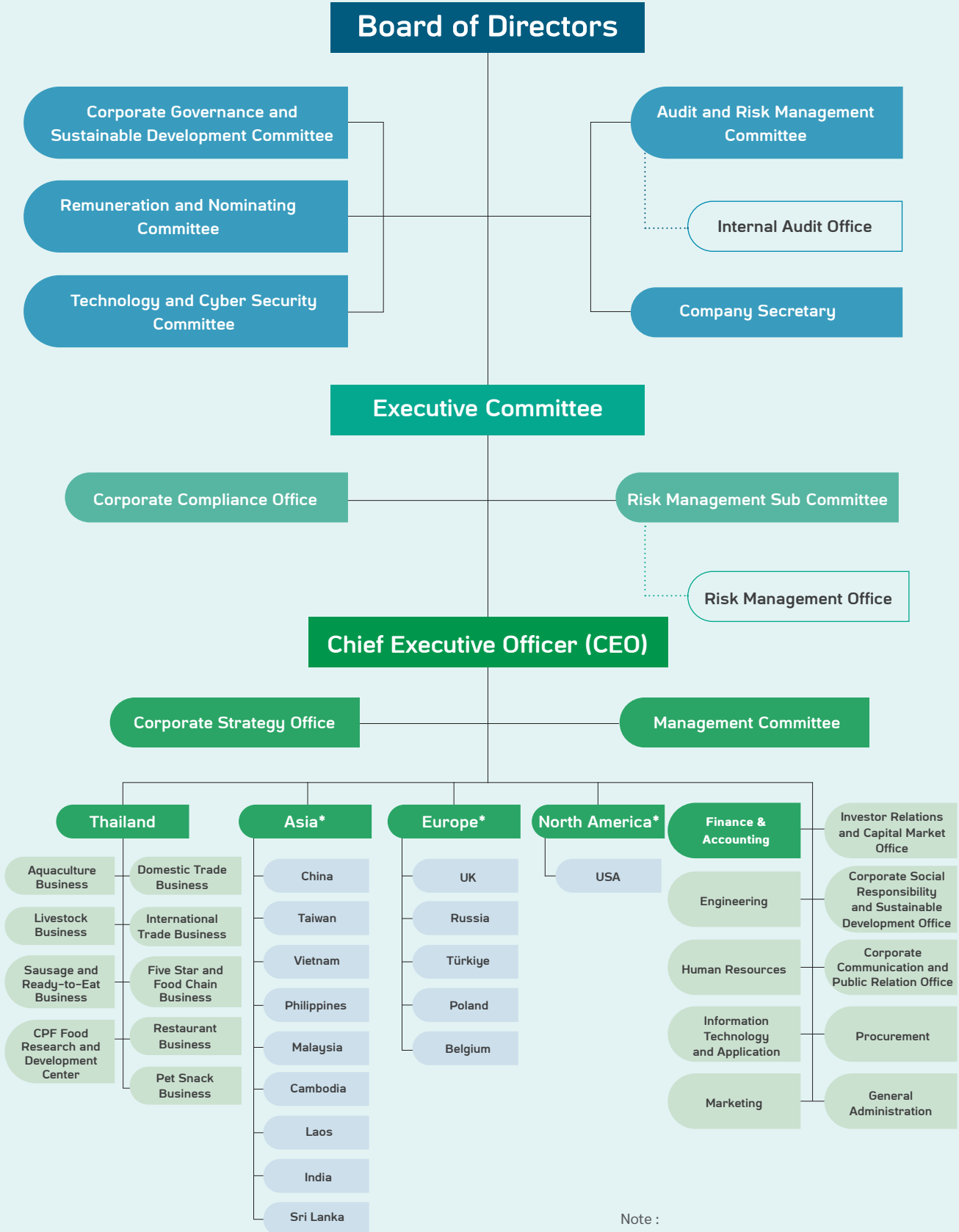
Value added processed food products, ensuring high nutritional quality in ready-to-eat meals, and offering competitive pricing for healthy food products. The Company also prioritize modern and eco-friendly production innovations and maintain a comprehensive traceability system throughout the entire production process.



Distribution Channels

The Company distributes products through various channels to ensure consumer convenience access, including our own channels such as Chester's restaurants, Five Stars product point of sales, Food World food court and through CP Group's wholesale and retail stores such as Makro, Lotus and 7-11, as well as other distribution channels.

Management Structure



Note :
* Country in which the Company has operating subsidiary



Charoen Pokphand Foods Public Company Limited

Part 1

Business Operation and Performance

1. Structure and Business Operation

1.1 Business Overview

1.1.1 Vision, goal and business strategies

Charoen Pokphand Foods Public Company Limited of “CPF” and its subsidiaries (“Company”^{1/}) operates a fully integrated agro-industrial and food business under the vision of “Kitchen of the World”. We provide food products that are good for health physically and mentally under the Sufficiency Economy and the 3-Benefit principles towards sustainability which aims to create prosperity for the country, people as well as the Company.

The Company operations are base in 17 countries^{2/} including Thailand, Vietnam, China as well as the Republic of China (Taiwan), Russia, the United States, Philippines, Cambodia, Malaysia, the United Kingdom, India, Türkiye, Laos, Poland, Belgium, Sri Lanka and joint ventures in Brazil and Canada. Furthermore, the Company has distributes network for meat and food products to over 50 countries in 5 continents worldwide to achieve food security for global consumers. The Company aims to create operational innovation that provides consumers with accessible, high-quality and nutritious food with responsible marketing. Our production process prioritizes food safety under the concept of Smart Farm, Smart Operations, and efficient resource utilization to maintain healthy environment under the concept of green farm and green operations, as well as aiming for the Net-Zero emission by 2050.

In order to achieve the above-mentioned vision and mission, the Board of Directors has reviewed and approved company strategies annually. The Corporate strategic direction focuses on 3 areas: “Sustainable Growth, Aiming for Excellence, and Building Solid Foundation” along with creating corporate culture adhering to CPF Way value. Business structure of the Company includes business operations in strategic locations, effective resource management with environmental and community friendly product innovation, good farm management under the animal welfare, supply chain management in production and distribution processes. The Company also maintain an international standards for production by implementing modern technologies and digital systems in the production and operations with traceability throughout the process under good corporate governance and sustainable development. All stakeholders are treated equally under human rights. Comprehensive risk management and internal control are conducted as well as the supervision of compliance and creating shared value with the society. This is to ensure the Company’s competitiveness provides appropriate yields to shareholders. The Company also adheres United Nations’ Sustainable Development Goals and The Ten Principles of the United Nations Global Compact to **keep the balance in operations in economic, social, and environmental dimensions.**



The Company is confident in the growth and development potential of the agricultural and food industries in many countries worldwide including long-term consumption growth. Thus, it has expanded its business internationally by investing in various countries using its knowledge and expertise in integrated and modern agricultural business while implementing

^{1/} The “Company” refers to Charoen Pokphand Foods Plc. (“CPF”) and its subsidiaries. (companies controlled directly and/or indirectly by CPF)
^{2/} Ranked by income



value enhancement strategies and creating shared value with stakeholders, as well as innovation strategies for efficient and cost-competitive production. The Company places importance on building employee engagement and development in response to an ever-evolving world, as well as personnel management for their well-being, both for themselves and their families.

1.1.2 History and key milestones

History

CPF was registered as a limited company on January 17, 1978 under the name “Charoen Pokphand Feedmill Company Limited”, with initial registered capital of THB 5 million, engaging in livestock feed and livestock farming business in Thailand. Then, in December 1987, CPF was listed on the Stock Exchange of Thailand (the “SET”) with stock code “CPF”. The Company had expanded its business to integrated shrimp farming business in 1988 and converted to a public company limited in January 1994.

In 1998, CPF acquired the agro-industry and meat processing companies from Charoen Pokphand Group to be under CPF umbrella; whereas, the business acquisitions were completed in early 1999. CPF then renamed as “Charoen Pokphand Foods Public Company Limited” and announced the vision to become “Kitchen of the World” for its integrated agro-industry business operation to produce meat products and quality food products to consumers around the world. After that, the Company has continuously expanded its businesses and investment internationally. In 2005, the Company has started to use  brand for its basic processed meat products and entered into ready-to-eat food business under the said brand for distribution in Thailand and for export as well as expanded the product distribution channels to retail and food outlets.

As of December 31, 2023, CPF had paid-up capital of THB 8,413,568,585, comprising of 8,413,568,585 shares, and its market capitalization was THB 164,906 million.

Key milestones in 2023

- Investment in processed food business in India

In January 2023, Norfolk Foods (Private) Limited and CPF (India) Private Limited, a subsidiary which CPF held 80.00% and 100.00%, respectively, registered the establishment of CP Norfolk (India) Private Limited (“CP Norfolk (India)”) in India to operate processed food business. Upon the completion of the transaction, it becomes an indirect subsidiary of CPF.

- Disposal of investments in a subsidiary

In March 2023, CPF Netherlands B.V., a subsidiary which CPF held 99.99%, disposed its entire investments in CP Chozen Ltd. (“Chozen”), which operates food kiosk business in the United Kingdom, equal to 80.0% of total issued shares of Chozen to British investor due to the change in our business practice in the United Kingdom. After completion of the transaction, Chozen and its subsidiaries ceased to be a subsidiary of CPF.

- An acquisition of “FIVE STAR” trademarks

In April 2023, CPF Restaurant and Food Chain Co., Ltd. (“CPFRF”), a subsidiary which CPF indirectly held 99.99%, entered into the acquisition of “FIVE STAR” trademarks and service marks being registered overseas in 12 countries from Charoen Pokphand Group Co., Ltd. (“CPG”) to support the growth of the restaurant business under “FIVE STAR” trademarks and service marks.

- The establishment of a new subsidiary

In April 2023, CPF Global Food Solutions Plc. (“CPFGS”) and Uoriki Co., Ltd. jointly established CP-Uoriki Co., Ltd. in Thailand to import and distribute seafood products, ready-to-cook food and ready meal such as sushi from Japan in which CPFGS holds 60.00%. Therefore, CP-Uoriki Co., Ltd. becomes an indirect subsidiary of CPF.

- The change of Kalino Food AB status from an associate to a subsidiary

In September 2023, Kalino Food AB which engaging in distribution of chilled and frozen meat and food in Sweden has changed its status from an associate to an indirect subsidiary as CPF Denmark A/S (“CPFDM”) acquired



additional 310 shares of Kalino Food AB, representing 31.00% of total shares, from existing shareholder. Therefore, CPFDM's shareholding in Kalino Food AB increased from 29.00% to 60.00%.

- The divestment of integrated broiler companies in China to a connected person by a subsidiary

In December 2023, CP Food Investment Limited, a subsidiary which CPF holds shares via C.P. Pokphand Co., Ltd. ("CPP"), divested 4 integrated broiler companies in China to a subsidiary of CPG. After the transaction, CPP's equity stake in such 4 companies decreased from 100.00% to 0.00% and they were no longer be subsidiaries of CPF.

1.1.3 Use of proceeds from debentures offering

Due to the proceeds received from debentures offering and issuance by CPF until December 31, 2023. Currently, CPF already used all proceeds according to the purpose of each debenture as disclosed in the registration statement.

1.1.4 Commitments stipulated in the debenture registration statements

CPF provides representations and warranties as well as responsibilities as the debenture issuer according to Terms and Conditions stating the rights and duties of the debenture issuer and the debenture holders of each debenture such as maintain Debt to Equity Ratio.

1.2 Nature of Business Operations

The Company operates a fully integrated agro-industrial and food business in meat protein mainly involving swine, broiler, shrimp, and layer. It ranges from the production of animal feed, animal breeding, farming operations, primary processing, food and ready-to-eat food production, to meat products and food distribution, restaurant business, pet snack production and distribution. It takes into account the balance in economic, social, and environmental dimensions for all stakeholders throughout the value chain.

The Company places high importance on safe and efficient production process, adhering to international standards with automatic technologies. It utilizes digital systems in work processes including planning, production, distribution and data analysis. This is to achieve high-quality and nutritious products, to be in line with consumer satisfaction and suitable for social conditions and consumer lifestyles in each country. The production process is safe and maintains traceability systemically throughout the food chain. The Company also strictly adheres to animal welfare and biosafety system, resulting in healthy animals with natural behavior. The food is delivered to consumers via responsible marketing and distribution channels and services are provided so consumers are able to access food appropriately, along with creating shared value with the society.

The Company recognizes that maintaining a balance between economic growth and minimization of environmental impact while taking care of the local environment as well as creating shared value with the society is crucial in running a business sustainably. The Company implemented guidelines involve resource optimization, value enhancement of by-products, waste management in the production process to minimize impact on environment and local communities, value enhancement of waste in the production process to create value in the supply chain (Waste to Value), renewable energy from biomass and biogas, solar energy and other renewable energy, which includes coal free energy to reduce greenhouse gas emissions that affect the climate change. Also, the Company places great emphasis on proper water use at every stage of production, utilizing it according to the 3Rs principle which includes: 1) Reduce water consumption, 2) Reuse water and 3) Recycle by reusing water undergone water treatment with various technologies, including taking care of natural sources of water in the area.

In terms of packaging, the Company has reduced the use of single-use plastics throughout its value chain and co-developed sustainable packaging with business partners. In addition, the Company has implemented projects to increase green areas and protect biodiversity inside and outside the establishments, such as "From mountains to mangrove forests" project in Thailand which protects and restores watersheds and mangrove forests, which are important resource bases of the country.



For social, the Company takes into account the human rights of all stakeholders by taking care of and treating employees and workers in accordance with human rights principles that align with the United Nations Universal Declaration of Human Rights. The principles include treating employees equally according to their rights, values and capabilities, developing human resources according to their potential and expertise while enhancing the quality of life for personnel along with the remuneration rate that is appropriate to the local economic and social conditions. In addition, the Company has managed to promote human rights principles for stakeholders in the supply chain by supporting business partners and local communities to jointly take responsibility and manage human rights issues, such as child labor, forced labor, migrant workers, as well as social and environmental management. Furthermore, the Company also supports small businesses and farmer partners by creating learning exchange networks and knowledge enhancement, as well as supporting local communities nearby to have activities and projects to create stability in terms of food nutrition and social, environmental, and economic aspects for sustainable growth.

1.2.1 Revenue structure

	2021		2022		2023	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
1. Thailand Operations	189,190,805	37%	224,355,723	37%	221,254,606	38%
1.1 Domestic¹	160,049,890	31%	191,206,117	31%	186,359,829	32%
<i>Feed</i>	43,441,164	8%	49,387,730	8%	51,836,396	9%
<i>Farm and processing</i>	91,892,648	18%	112,986,827	18%	104,079,481	18%
<i>Food</i>	24,716,078	5%	28,831,560	5%	30,443,952	5%
1.2 Export²	29,140,915	6%	33,149,606	6%	34,894,777	6%
<i>Feed</i>	103,627	0%	61,453	0%	126,331	0%
<i>Farm and processing</i>	6,951,684	2%	9,370,162	2%	8,567,539	1%
<i>Food</i>	22,085,604	4%	23,717,991	4%	26,200,907	5%
2. International Operations	323,513,642	63%	389,841,245	63%	364,589,515	62%
2.1 Vietnam³	111,110,839	22%	124,634,299	20%	116,053,412	20%
<i>Feed</i>	33,065,703	6%	37,874,713	6%	33,677,747	6%
<i>Farm and processing</i>	72,208,997	15%	78,999,539	13%	74,562,129	13%
<i>Food</i>	5,836,139	1%	7,760,047	1%	7,813,536	1%
2.2 China (CPP)	30,456,643	6%	36,795,225	6%	39,549,034	7%
<i>Farm and processing</i>	20,050,398	4%	25,357,430	4%	25,888,372	5%
<i>Food</i>	10,406,245	2%	11,437,795	2%	13,660,662	2%
2.3 Other countries	181,946,160	35%	228,411,721	37%	208,987,069	35%
<i>Feed⁴</i>	50,461,217	10%	58,797,037	10%	51,360,592	8%
<i>Farm and processing⁵</i>	86,342,663	17%	112,972,422	18%	105,004,743	18%
<i>Food⁶</i>	45,142,280	8%	56,642,262	9%	52,621,734	9%
Total Revenue from Sale of Goods	512,704,447	100%	614,196,968	100%	585,844,121	100%
Other Income	16,255,230		9,232,351		13,844,596	
Total Income	528,959,677		623,429,319		599,688,717	
Share of Profits of Associates and Joint Ventures	4,166,804		3,745,244		4,590,349	
Total Income and Share of Profits of Associates and Joint Ventures	533,126,481		627,174,563		604,279,066	

Remarks:

Major companies of each business are as follows:

¹ CPF (Thailand) Plc. (CPF held 99.99% stake) and CPF Global Food Solution Plc. (CPF held 99.98% stake)

² CPF Food Network Co., Ltd. (CPF held 99.97% stake)

³ C.P. Vietnam Corporation (CPF held 83.18% stake)

⁴ CPF (India) Private Limited (CPF held 99.99% stake), C.P. Standart Gida Sanayi ve Ticaret A.S. (CPF held 100.00% stake), Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (CPF held 39.00% stake) and PK Agro - Industrial Products (M) Sdn. Bhd. (CPF held 100.00% stake)

⁵ C.P. Cambodia Co., Ltd. (CPF held 100.00% stake), Charoen Pokphand Foods Philippines Corporation (CPF held 99.99% stake), Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (CPF held 39.00% stake) and JSC Poultry Production Severnaya (CPF held 100.00% stake)

⁶ Bellisio Foods, Inc. (CPF held 100.00% stake), Overhill Farms, Inc. (CPF held 100.00% stake) and Westbridge Foods Ltd. (CPF held 99.97% stake)

1.2.2 Nature of products

The Company operates a vertically integrated agri-industrial and food business, encompassing the production of animal feed, breeding, animal farming, primary meat processing. Furthermore, the Company produce food and ready-to-eat meals, as well as engaging in the trading of primary processed meat and food products as well as operating restaurant business. These business operations provide control of efficiency throughout the value chain, leading to continuous innovative production. The Company's three main product categories consisted of : **1) Feed**, namely the production and distribution of animal feed, **2) Farm and Processing**, namely animals breeding, farming, primary meat processing as well as distribution of primary processed meat products, and **3) Food**, namely the production and distribution of processed food both semi-cooked and cooked, and ready-to-eat food, including restaurant businesses.

(1) Products and business innovation

(1.1) Feed business

The Company conducts animal feed business in 11 countries worldwide, namely Thailand, Vietnam, India, Republic of China (Taiwan), Malaysia, Türkiye, Philippines, Cambodia, Laos, Russia with joint ventures in China and Canada. The primary products in feed business are swine feed, chicken feed, duck feed and shrimp feed, available in the form of feed concentrate, powder feed and pelleted feeds. The feed business is primarily focused on production and distribution within the country of operation. In addition, the Company operates the production and distribution business of pet snacks under the main brands Jerhigh, Jinny, and K-Sy which are produced from byproducts of the broiler business and further developed to create added value (Waste to Value) with safe production standards at an international level.

Animal feed constitutes the foundation of meat production and the creation of quality food. The Company has continuously developed innovation in animal feed production and technology in animal nutrition. As a result, the Company has the potential to innovate and develop feed with good nutritional quality for each type of animal based on its age to achieve a good feed conversion ratio. Its production process is internationally standardized with automation systems, robot system and digital system for management to ensure cost competitiveness.

The Company places a high value on innovation in animal feed production and the continuous advancement of technology in animal nutrition science by developing feed formulation with good nutrition suitable for animals of different ages. This ensures that animals, have adequate nutrition and are healthy. The Company has also developed eco-friendly feed that reduces odors and excess nitrogen emissions from manure, as well as developing probiotic feed formulation that enhance the natural immunity, building up immunity, and reducing illnesses that do not require medication.

The Company places importance on the feed production process, from (1) choosing the appropriate plant location and layout taking into account resources, geographical conditions, and impacts on nearby communities; (2) selecting suitable formulations with sufficient nutrition for animals of different species and ages; (3) selecting quality raw materials that meet nutritional standards and are traceable; (4) using modern technology in production and quality control, as well as digital data management; (5) having controlled modes of transportation with GPS ; (6) using of large feed drum instead of plastic packaging to reduce environmental impact; and (7) implementing customer-oriented sales system by providing after-sales service.

Plant Location and Layout: The Company has carefully chosen its location in agro-industrial areas, located in high-altitude areas with sufficient water resources and necessary utilities. The location is also away from the community and the farm area to prevent contamination according to occupational health safety principles. The plant layout is designed with



the principles of Green Factory and Smart Factory, taking into account the possible impact of the production process on the environment and nearby communities. The prevention includes planting trees inside the plant location to increase green areas resulting in an increased biodiversity. Possible dust and odor pollution that may occur from the production process is reduced by installing an odor control system (ozone). Other measures are wet scrubber, cyclone dust collector, reduction of coal used in production, as well as increasing production efficiency with artificial intelligence in fully automated operations and AI Vision to monitor quality analysis instead of human workforce in every process.

The Company has efficient water management by taking care of water resources throughout the supply chain. There is a data collection system of water consumption used to analyze and plan water use control, along with research and development, as well as the introduction of modern technology to support throughout the process to reduce water consumption or optimize water use to be as cost-effective as possible. The 3Rs: Reduce, Reuse and Recycle, aims to reduce the water use per production unit. In addition, the quality of treated wastewater is monitored and inspected to control the quality of effluent to be equivalent to or better than the standards according to relevant laws before releasing it. The locations have been selected to ensure that the biodiversity of the area is not damaged and various projects are implemented to maintain the balance of the ecosystem on a large scale.

Feed Formulations: The Company places great emphasis on feed quality that must be in line with the nutritional needs of each breed of all ages. The Company selects nutritious formulations suitable for growth, with continuous development of innovations in animal nutrition. **Probiotic** formulations have been used to build up immunity, help the digestive system and strengthen animal health. As a result, animals are healthy and do not require the need for antibiotics to treat them. The Company has developed **feed formulation for Benja Chicken** which makes its meat more tender and juicier. The formula comprises specially selected brown rice grains rich in GABA resulting in more flexible chicken meat. Furthermore, the Company has developed **eco-friendly feed formulas** that places an emphasis on nutrient balance while reducing nitrogen emission from manure.

Raw Material Selection: The main raw materials used in animal feed production consist of corn, soybean meal, fish meal, rice bran, and other vitamin and mineral components. Quality raw materials are important in producing good feed. The Company has a policy to prioritize procurement of **raw materials from domestic sources** to support local farmers. In the case that raw materials purchased domestically are insufficient to meet production demand due to insufficient output or non-standard quality, foreign imports will be made. In 2023, the Company imported 28.01% of its total raw material requirement for the production of animal feed.

For the procurement of raw materials, the Company uses a quality analysis and inspection system by laboratories that are certified for production standards regarding the lawful source of raw materials and responsible production in terms of environment and labor, such as ISO/IEC 17025. The Company places great emphasis on building **sustainable food production chains** and is committed to responsible, traceable sourcing of key agricultural raw materials, along with helping develop farmers' potential with knowledge training, proper planting plan for good quality of harvested produce.

In Thailand, the company procures maize or raw materials for feed production that can be traced back to the cultivation area. The areas must be deforestation free and agricultural burning is prohibited. This is monitored through the "For Farm" application and satellite imagery technology to track planting plots to ensure that the Company procures maize from sources that do not utilize agricultural burning practice. Currently, 100% of maize used in business in Thailand is

Traceable Feed Maize Sourcing



For Farm Application

Farmers authenticate their identities and land plots via mobile devices to access data pertaining to cultivation, precipitation patterns, and commodity prices.



Blockchain Traceability

In every maize transaction, there is a seamless data linkage from production fields through transportation to animal feed factories, ensuring transparency throughout the process.



Satellite Imagery Technology

Monitoring cultivation areas and analyzing areas where agricultural burnings are prevalent.



Self-reliant farmers & Sustainable Maize Project

The Company's personnel provide guidance on cultivation practices to enhance productivity and discourage agricultural burning practices.

traceable to cultivated areas with legal document of right and without deforestation and crop burning after harvest. The Company has expanded its maize supply through a traceability system in feed business abroad as well.

In addition, the Company has risk management in place for possible increase of raw material prices due to weather fluctuations and unforeseen circumstances by analyzing and planning proper risk mitigation. This includes making the raw material storage system more efficient so the materials can be stored in a longer period of time. Procurement is managed by an advance agreement and procurement of substitute raw materials is adopted locally to reduce costs and diversify raw materials, as well as supporting local farmers' produce such as rice, grits, and rice bran and use them as ingredients in feed production.

Sustainable Feed Maize Sourcing

Cultivate maize adhering to scientific principles, ensuring proper legal documentation, refraining from deforestation, and maintaining traceability to the cultivated areas

Self-reliant farmers & Sustainable Maize Project

Cooperate with governmental agencies to enhance farmers' potential by providing knowledge in proper cultivation practices according to academic principles. This includes soil nutrient analysis and large-scale cultivation management, aimed at increasing production yields in an environmentally friendly manner while also boosting farmers' incomes.

Animal Feed Production in Accordance with Global

Implementing automated systems in the production process aims to reduce the impact on employee health and optimize resource utilization, thus minimizing environmental effects.



Production and Quality Control: The Company employs automated production and production control systems in conjunction with digital technology system and robot, especially where there may be impacts on employee health and safety. This is also aimed to reduce contamination risks in the production process. Artificial intelligence is used in the production process to increase efficiency and reduce waste generated, resulting in good quality feed that meet international standards. Businesses in each country seek their independent external certification based on the requirements of the Company and its customers, as well as the laws of that country. The Company's feed is 100% carbon neutral certified product as a result of the Company's intention to reduce carbon emissions throughout the value chain. The Company places importance on the production process from procuring raw materials from deforestation-free sources, adopting intelligent feed production process that increase its efficiency and reduce potential losses, reducing the use of coal in production and using renewable energy in operations such as solar energy and biomass energy.

Packaging and Transportation: The Company has implemented automation in the packaging process to reduce the impact on employee health and has used bulk feed tanks as well as automatic feed transport system, which is delivered by feed trucks that can transport feed through pipelines directly into silos within customers' farms. This is to prevent possible biosecurity risks from feed trucks into farms. It can also reduce the use of plastic packaging bags and feed transport time. In addition, the Company has managed product transportation taking into account the delivery time according to the customer's requirements while maintain good quality. The transportation control measures include using

various technologies such as Global Positioning System (GPS), tracking transportation vehicles, as well as switching to fuel-based transportation vehicles that reduce greenhouse gas emissions in the future.

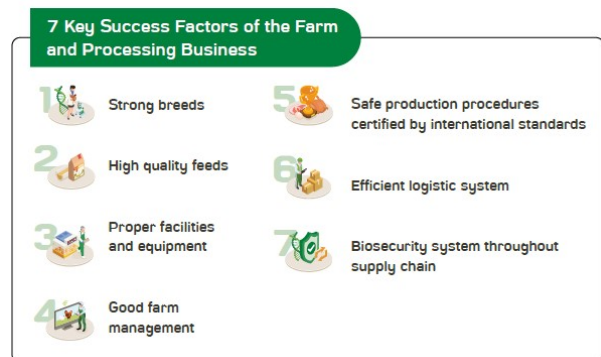
Sales and After-sales Service: The Company recognizes that the success of animal farmers is crucial for the mutual sustainability of the animal feed business. Therefore, it places importance on having scholars share their knowledge and understanding of farm operation and suitable feed to farmer partners, as well as regularly conducting customer satisfaction surveys to utilize the feedback to improve its products and services. After-sales service of feed includes the provision of information regarding suitable feed, livestock farming techniques, animal health check-up, proper farm management, technology adaptation, and recruitment and human resource development services for customers to expand their business. The Company sells feed products to farmers and through dealers with responsible marketing principles, as well as increasing online distribution channels for more convenience for customers in remote areas. This also helps the Company collect customer data base more efficiently. Furthermore, the Company has used satisfaction surveys from farmers to develop and improve its products and services according to customers' evolving needs.

The feed industry and market continue to grow in line with the increasing demand for meat in each country and an expansion of modernized industrial farm operation in countries with traditional farm operations. The competition depends on the quality of products in terms of nutrition and the management that helps farmers succeed in their operation with healthy animals within a reasonable period of time.

(1.2) Farm and processing business

The Company's farm and processing business is comprised of commercial animal breeding, farming, primary processing operations, and distribution in meat and food products. The main products include animal breeds, live animals, primary processed meats, and eggs. The main products are swine, broiler, layer, duck, and shrimp. The Company has farm and processing businesses in 15 countries, namely Thailand, Vietnam, China, Russia, the Republic of China (Taiwan), Cambodia, Philippines, Malaysia, Laos, India, Türkiye, Sri Lanka, Poland, the United States and joint ventures in Canada and Brazil. Each country has a different nature of business operations based on its market opportunities and suitability. The farm and processing business operates under **7 key success factors**.

The Company focuses on (1) location selection, eco-friendly farm and factory designs, (2) quality raw materials and breeds, (3) farming operations under animal welfare principles and strict disease prevention systems, (4) safe production process adhering to relevant standards, (5) use of environmentally friendly packaging, (6) distribution and presentation of products to customers with accurate and complete information, as well as promotion of innovation in sales development as well as efficient transportation under good occupational health standards. With the farm management system developed by the Company, farmers can also obtain knowledge beneficial for their operations.



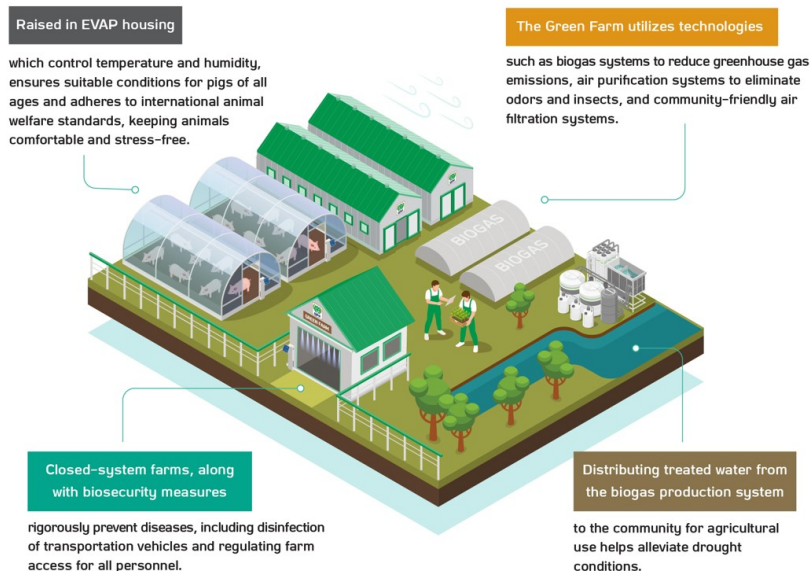
Location and Farm Design: The Company considers farm locations based on risk management capabilities to not affect the biodiversity in the surrounding area under the green farm principle. It adheres to animal welfare principles and Biosecurity System. The location must be within an appropriate distance and zone for animal housing with adequate infrastructure. Farming operation should be conducted in a closed system certified by government agencies that regulate livestock operations in the country where the company operates. An animal transport system takes into account the prevention of infection along the transportation. The farming area and external area must be separated with measures to undergo a sterilization process before entering the farming area. In addition to good farm design, the Company has strict rules for farm personnel and visitors, especially during epidemics such as African swine fever and Coronavirus disease 2019 ("COVID-19"). The farm design and animal farming operation systems for each type of animal can be varied depending on its behavior and age range.

- The Company's livestock farming is conducted within **closed facilities with an evaporative cooling system based on animal welfare principles**. The system cools air through the evaporation of water to make facilities suitable to raise animal at all times. Computer systems and digital technology are used to raise livestock and control farming. Other systems include automatic feeding and watering system, digital animal health monitoring system, control and prevention system of vectors entering the farming area. There is sufficient space for animals to exhibit their natural behavior, as well as lighting control system inside the facilities adjusted based on animal behavior of each type and age. In addition, the Company has managed waste from the farming process by using animal manure to generate biogas, used treated wastewater as fertilizer water and provided eggshell fertilizer to local communities.
- Aquaculture is conducted in **a closed system on the ground with Probiotic Farming**, which is environmentally friendly with regard to the environment around the farm systematically. Farming is implemented on animal welfare principles, with epidemic prevention measures along with recirculation aquaculture system. Production process has been developed with consideration of water utilization. The goals have been set to reduce the water use per production unit, which results in the reduction of wastewater. Furthermore, the wastewater treatment system has been designed to enable the treated water to be reused.

For shrimp farming business, the Company implements the "CPF Combine" farming model, which combines innovations the Company has developed. This farm management model undertakes the biosecurity system with an automated shrimp farming monitoring system with digital technology. Environmental sensing is used to process and control farming in ponds and hatcheries in real time with management throughout the process.

The Company's closed farming system are Green farm that is environment- and community-friendly. The farm has efficient resource management, waste management system, water treatment system, creation of more green areas, and

CPF Swine Farm, a comfortable resort-style environment and friendly to the surrounding community



soil quality management. The environmental conservation within the farms has been managed under the principle of biodiversity to maintain natural balance. The Company provides environmental management to reduce impacts on the environment and surrounding communities, such as using farm waste to produce biomass and biogas as renewable energy to generate electricity within the swine farm to reduce environmental impacts such as waste and air pollution. It also helps reduce greenhouse gas emissions to reduce the impact on climate change. This also increases the efficiency of resource utilization under the concept of Circular Economy, resulting in positive impact on both the

environment and the community along with the implementation of the **air purification system in swine facilities** that helps reduce odor effectively.

Furthermore, the Company has adopted renewable energy, especially solar power, to generate electricity for farm use, making it constantly more energy efficient. The Company has also encouraged its farming partners to use this

system extensively. In addition, the business in Thailand has wastewater treated in a biogas system that meets the standards required by law and contains minerals suitable for the growth of trees and plants. The treated water is then provided to nearby farmers in "Fertilizer Water Sharing" project, which can reduce farmers' expenses and increase their income while reducing environmental impact at the same time.

The Company recognizes the growing severity and frequency of droughts and their impact on the agricultural operations. To address this issue, the Company focuses on developing **sustainable water management processes throughout the production chain**. The 3Rs principles have been implemented, namely "Reduce" water consumption, "Recycle" by reusing treated water, and "Reuse" water to reduce the water use per production unit. In addition, the Company has collaborated with government agencies and surrounding communities to monitor the water quantity and quality situation in key water sources to ensure that the water quality is suitable for community use, as well as preserve water resources as aquatic and plant habitats to maintain biodiversity. Water storage has been created to be used in times of drought which enable water sharing with communities around the establishment. The Company also engages with communities by listening to concerns regarding water use and allocating personnel to educate and raise awareness among relevant stakeholders, both in communities and business partners, on water resource management, as well as developing plans to manage water scarcity risks. All these operations not only reduce operational risks to both the Company and its business partners, but also reduce the possible impact on surrounding communities in the current and future drought conditions.

Raw material Selection and Breed Development: The raw materials for livestock operation are animal feed and breeds produced under the Company's integrated feed production business. The company is engaged in the production of chick, piglets, and duckling among others for commercial farming. Great grandparent breeds or grandparent breeds have been selected and imported from abroad for breed development, such as importing grandparent breed of broiler from the Americas, Europe, and Australia, importing grandparent breed of layer from Europe, and importing great-grandparent breed of swine from the Americas and Europe. The Company has developed its own shrimp breeds to suit the environment and consumption demands of each country where it operates by developing natural breeds based on genetic selecting process. It has adopted scientific principles and medical technologies in breeding to produce healthy breeds with good disease resistance, high yields, suitable for the farming environment of each country, as well as being able to respond to consumer satisfaction and ever-changing market demands.

Farming System: The Company has continuously developed systems and technologies used in farm operations, as well as environmental and labor management standards, in parallel with modern farming with safety standards in accordance with standards of each country. In 2023, the Company has project "Thai food – Mission to Space" to enhance the standard of Thai chicken products to the space safety standard certification according to NASA criteria, which is the highest safety standard for food production for astronauts in the International Space Station.

The Company has developed farming process under the **animal welfare principles (5 Freedom)** along with the efficiency of farming per area **without the use of hormones to accelerate growth**. The farm operation research team has developed methods while taking into account the behavior of each type of animal, strong breeds, and nutritious feed suitable for animal of different ages. Biotechnology is also used to analyze and improve feeding and farming methods to suit each species at each age group so that animals can live without suffering and are **free to express their natural behavior**.



The Company has a **global health policy of "One Health"**, adhering to animal welfare standards and the responsible and reasonable use of antimicrobials. The Company also promotes stable and safe food production for the health and quality of life of people, animal, and environment sustainably. Therefore, the Company always prioritizes animal health. Probiotics have been used in farm operation to enhance their immunity and reduce the risk of diseases. Animal

health checks are carried out throughout the farming process and antibiotics are used responsibly to cure diseases under

Responsible use of antimicrobial agents in animals



The use of medication must be closely monitored and administered solely for necessary treatment under the close supervision of veterinarians.



Avoid the use of antibiotics for growth promotion.



Collaborate with global experts to explore better approaches in ensuring the health and welfare of animals, aiming to minimize the necessity for antimicrobial usage.

close supervision of veterinary officers. This is conducted in accordance with animal welfare, adhering to the principle of "responsible use of antimicrobials" under the "Policy on Responsible Use of Antimicrobials in Animals", which includes:

1. Antimicrobials must be used under close supervision of veterinary officers and only for necessary treatment.
2. Avoid the use of antibiotics for the purpose of accelerating growth in animals.
3. Create feed innovation to keep animals healthy and reduce the need for antimicrobials when having diseases, such as the use of probiotics in farm operation.

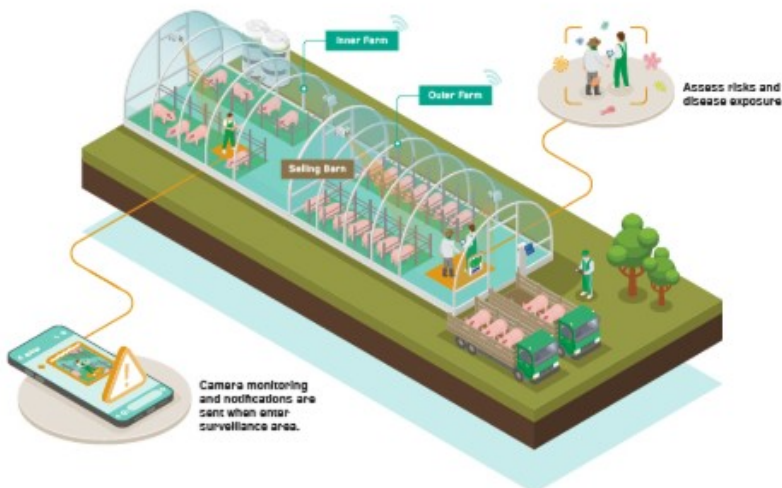
In addition, the farm and processing business is conducted under the concept of "smart farm" system by adopting electronic technologies and artificial intelligence such as the Internet of Things and Artificial Intelligence to develop the most efficient farming process to reduce labor and contact with animals to minimize the risk of transmission of various infections to animals in accordance with biosecurity standard, which is a new approach used by farmers to increase their produce and production process efficiency and to develop agriculture sector sustainably.

Smart Farm : controlled conditions within the farms



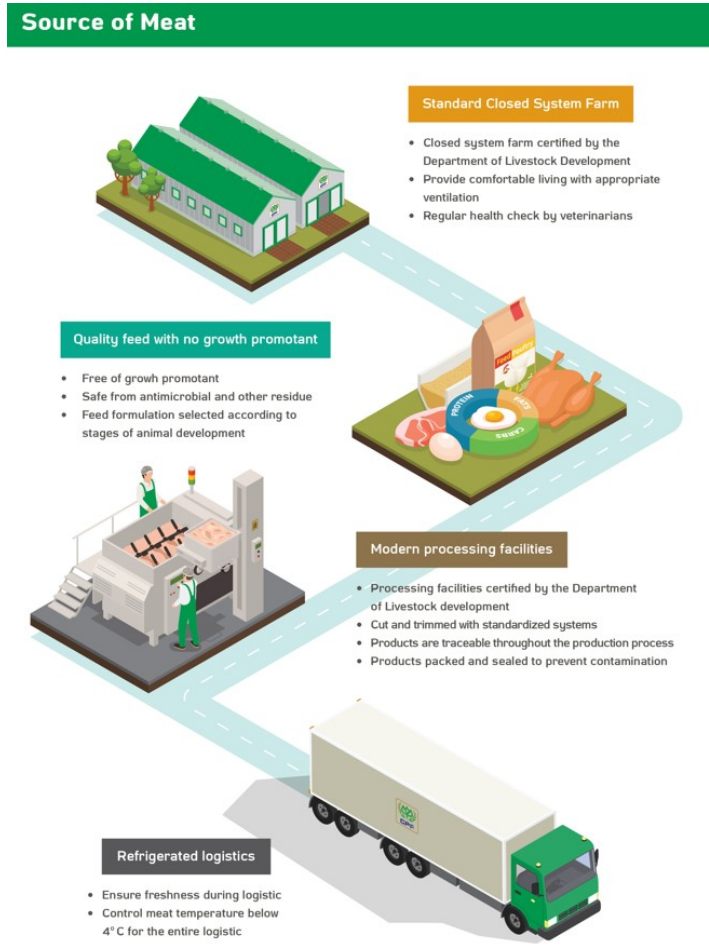
The Company has a project to promote farm operation to farmers through the Contract Farming Project which creates jobs for smallholders as its business partners to grow together sustainably. Farmers in the project are provided their own grazing land and farming equipment. The Company provides breeds, feed, and other necessities as well as sharing knowledge and technology in farm management to be at the same standard as the Company's farms. This is to ensure that farmers can choose the right feed suitable for each animal type and breed. It also enhances production efficiency under reasonable cost and as well as maintaining the quality that meets consumers' needs.

AI Farm Lab: Monitor farm entrances and exits, and report any abnormalities.



There are scholars who provide knowledge for farmers throughout the farming period. Farmers do not have to take on marketing risks in terms of price fluctuation.

Primary processing: The Company adheres to animal welfare principles and standards regarding primary meat processing through processing plants certified by government agencies that regulate livestock operations in the country



where it operates. First of all, the livestock housing area and the primary processing plant must be a part at a reasonable distance. Animal transportation must not cause stress to animals by limiting the animal density. When arriving at the processing plant, the transport vehicle must park in an area with the right temperature for animals prior to the slaughtering, meat trimming, and packing. The Company controls the production process in line with production and employee safety standards as well as other relevant standards. The Company's overseas operation seek their independent external certification based on the requirements of the Company and its customers, as well as the laws of that country. In terms of primary meat processing, the main raw materials used are mainly meat sourced from the Company farm and processing operation. In addition, it operates a meat distribution business abroad (Global Sourcing) for the procurement of raw materials from outside the Company. The quality is strictly inspected according to the Company's food safety standards.

Packaging: The Company focuses on the use of **packaging that reduces environmental impact**, as well as the design of recyclable food

packaging (Design for Recycling), according to circular economy principles. This includes using mono-material plastic packaging to simplify recycling process and reduce landfill waste. In addition, it has developed packaging from recycled plastic and promoted the use of alternative materials, such as biodegradable plastic trays made of Polylactic Acid (PLA) that are plant-based and biodegradable without affecting the quality of food storage.

Sales and after-sales service: In the farm and processing business, the Company's products include animal breeds, live animals, meat cuts, chicken eggs, and byproducts from farm operation. Distribution channels for animal breeds and live animals are mainly on-site sales. Meat, eggs, and byproducts from farm operations are distributed both domestically and internationally.

Domestic distribution channels include sales through dealers, traditional markets, modern wholesale and retail channels (Modern Trade) through refrigerated transportation with controlled meat temperature not exceeding 4 degrees Celsius throughout the transportation. The Company's trade is based on responsible marketing principles without misleading communication or advertising. Details and product standards are provided clearly and accurately in accordance with applicable laws, along with the promotion of sales innovation to partners. For example, in Thailand, the standard of meat vendors in the wet market have been enhanced according to principles of cleanliness, safety and modern sales system between partners and the Company. Other examples are the creation of a "shop in shop" model for Lotus's stores and modern Five Star distribution points in line with various consumer behaviors. In addition, the Company conducts satisfaction surveys collecting information and feedback from both dealers and consumers to improve its products and services.

The Company places importance on creating innovation on meat products in response to the needs of consumers in each segment, including those with increased health concerns. Details of the products are as follows:

- **Cheeva Pork** innovation involves the development of breeds, feed, and farming techniques, to produce pork rich in good fatty acids and omega-3.
- **Kurobuta Pork** is made from a foreign breed of swine that has been developed and improved to be able to grow well in the Thai environment. Its unique characteristic is softer meat compared to normal pork because the muscle layer of Kurobuta Pork contains 30% more white fat than regular pork and has lower cholesterol.
- **Benja Chicken** innovation involves feeding chickens with specially selected brown rice grains which help strengthen the chickens' muscle structure, making its meat more fragrant, tenderer, and juicier compared to normal chicken. Benja Chickens are raised in a cage free area and chemical-free.
- **CP Pacific Shrimp** has been raised under the "3 Clean" principles, which consist of clean floor, clean water, and contamination-free baby shrimps. With a clean environment, shrimps live comfortably and are well-fed resulting in a good growth rate. The use of probiotics enhances farming efficiency, reduces possible diseases without the use of antibiotics, and be environmentally friendly.
- **CP Pacific Soft Shell Shrimp** molts naturally, so the shell is soft and edible in whole. This innovation enables consumers to consume whole shrimp without the need to remove its shell. It is also high in calcium which is beneficial to the body and helps maintain strong bones.
- **Cage-Free Eggs** are obtained from specially selected layer hens from the United States of America that are raised naturally in closed houses where layer hens have good space allowance in accordance with animal welfare principles, free of hormones and antibiotics.
- **U Farm Carbon-Neutral Cage-Free Egg** or Carbon-Free Cage-Free Eggs support conscious consumers to participate in handling global climate change issue.
- **Omega-3 Eggs** are fresh, organic eggs that are rich in omega-3 and beneficial for the nervous system and the brain. They also contain choline and vitamin B2 which helps the nervous system function properly. Layers hens are raised in a closed housing system to ensure that they are 100% disease-free. No hormones and antibiotics are used throughout the process.
- **Red Tilapia Fish** has been developed from the Chitralada Tilapia species and other tilapia species from around the world for crossbreeding on a natural selection basis. Its characteristics meet consumers' needs and suitable for the farming conditions in Thailand. This resulted in tilapia species that can live and grow in saline water and can further be developed to promote pisciculture in both fresh and saline waters.

The farming and processing business is growing with increasing demand for consumption due to the growing population and from the increased ability to access quality meat at affordable prices. The Company is one of the leaders in the livestock farming business whose success factor is having strong animal breeds, good disease resistance and large yields. In addition, effective farming methods provide a good feed conversion ratio with reduced raising time and good disease prevention. The Company is also a leader in the innovation development of quality meat that meets international production standards.

(1.3) Food business

The Company food business operates in 15 countries, namely Thailand, the United States, China, England, Vietnam, the Republic of China (Taiwan), Philippines, Malaysia, Russia, Cambodia, India, Türkiye, Laos, Sri Lanka, Belgium and Poland. The Company places importance on research and development to produce **quality food in terms of nutritional value and taste in line with consumer satisfaction. The Company ensures safe processes throughout the value chain, taking into account environmental and social impacts** while maintain affordable prices and diversity in line with the needs of consumers worldwide in each age group and locality. It also promotes convenience for consumers to access products through various distribution channels, including its own channels and other channels.

The Company adds value to its meat products from the farm and primary processing business by turning it into processed food products and ready-to-eat meals, using modern production technologies including robotic system and digital system that adhere to international standards. The process takes environment and society into account with consideration of traceability throughout the production process in order to obtain quality foods and deliver them to



consumers. The logistic system adheres to safety standards on occupational hygiene and responsible packaging.

Types of food products produced and distributed: The Company develops safe food and ready-to-eat meals to meet consumers' needs and promote their health. This includes the following products:

- **Sausage Products** are made from quality raw materials with a modern continuous automated production process that is safe and meets global standards and traceable. The Company's sausage products include chicken sausage, pork sausage, bologna sausage, Bucher Mixed Chicken and Beef Sausage, Bucher Mixed Chicken and Beef Chili Bologna Sausage, Bucher Frankfurter Cheese Sausage and CP FI-IT Sausage etc.
- **Ready-to-eat meals** are made by selecting quality raw materials and undergone modern, clean, safe, standardized production process. The Company offers new products based on various consumer trends, relying on its experiences, knowledge and understanding of consumer preferences and market trends. These products include emperor shrimp wonton, emperor shrimp wonton with noodles in Tom Yam soup, gyoza, and ready-to-eat meals etc.
- **Semi-cooked Meat Products or Ready-to-cook products** are made from quality meats such as salted meat and marinated meats with various seasonings that are in a ready-to-cook state. These products are produced from modern processing plants certified by international standards to ensure fresh, clean, safe and traceable products. It is suitable for entrepreneurs in the hotel, restaurant and catering industries, or consumers who want convenience cooking.
- **Plant-based Products** are provided to meet flexitarians' needs with protein content comparable to meat and high fiber content.

The Company's food products are distributed under the CP brand, other brands of the Company, as well as under the customer's brands. The Company distributes food products through various distribution channels to make its food products accessible to consumers. These include 1) traditional trade or wet markets, 2) modern trade and wholesale and retail channels such as convenience stores, supermarket, hypermarkets and wholesale centers, 3) food service channels such as hotel restaurants, general restaurants, fast food restaurants, food courts, and catering businesses, 4) the Company's own distribution channels, which cover its restaurants and food courts. In addition, the Company exports food products through its representative branches, distributors, and importers in various countries.

Raw Material Procurement: The Company's food products are made from its meat products as the main raw materials, including products from the contract farming project, which involves agricultural production being carried out and delivered on the basis of an advance agreement between farmers. The quality, quantity and income of the produce are determined as agreed upon by both parties. The Company provides means of production, knowledge and technologies suitable for production to farmers to increase production efficiency and income sustainably. As for other raw materials used as food ingredients, the Company places importance on their quality and sources that meets with required standards and are traceable. In addition, the Company has collaboration projects with farmers to create shared value. These projects provide support in terms of agricultural products used as food ingredients for local farmers, as well as sharing knowledge and building understanding of sustainable farming. They also emphasize balance on ecology aspects and product quality. For international food business, in addition to sourcing products from the Company Group's production, the Company also implements global sourcing strategies by leveraging its distribution network to meet customers' needs and satisfaction. Procurement is conducted in accordance with fair and traceable procurement policy. For example, the Company imports beef products from Australia to sell in Thailand, imports ducks from China to sell in Germany, imports avocados from Peru to sell in England, and imports raw fish from Japan to sell in Thailand etc.

Production: quality standards and safety throughout the production process have always been the Company's top priority. Therefore, efficient production innovations have been created. The Company has adopted **automation technology and robotics** to enhance production efficiency along with safe work processes for personnel. It also implements

a digital traceability system that can link data which enables traceability throughout the process, from the source of raw materials and food production processes from the beginning to distribution to various distribution channels. The Company has developed production process to meet national and international standards, as well as sustainability innovations in production aimed at reducing greenhouse gas emissions, waste management, waste-to-value system which adjusts production process and uses byproducts to create added value, water management in production process, the use of renewable energy, and the transfer of used cooking oil to produce sustainable aviation fuel: SAF, etc. Businesses in each country and production site seek their independent external certification as appropriate, adhering to the requirements of the Company and its customers, as well as the laws of that country.

The Company places great emphasis on quality and safety in order to make its food products healthy and in line with consumers' needs. Food innovations have been constantly developed. The Company has established CPF Food Research and Development Center Company Limited as a center for food research and innovation. Prototype

manufacturing plants have been used for trial production with modern technologies and integrated experts to create tasty and nutritious food products. The Company also focuses on safe and environmentally conscious packaging production and design processes. Food laboratories have been established, covering businesses in livestock, aquaculture and ready-to-eat products in Thailand. Testing and calibration work are carried out in accordance with international standards to ensure



The fully integrated business allows the Company to exercise absolute quality control and assurance throughout the production process. The Company obtained various international standards as well as those required for different customers from third-party accreditation organization, all of which are applied in production of feeds, farming, and food businesses in conjunction with compliance with laws, rules, and regulations of each country in which the Company has business operations.

	Feed Business	Farm and Processing Business	Food Business
Production Standards	GAP GMP/GHPs HACCP ISO 9001 ISO 22000 ISO/IEC 17025 GMP+ FAMI-QS	Global G.A.P. RWA ALO BAP Marrin Trust AI Compartment CPF Food Standard (PS 7818:2018)	GAP/CoC Dept. of Fishenes GMP/GHPs HACCP ISO 9001 ISO 22000 ISO/IEC 17025 BRC QS. Quality scheme for food Halal Global G.A.P.
Environmental Standards	ISO 14001	CPF SHE&En Standard	ISO 50001
Occupational Safety Standards	Good Labour Practice (GLP) ISO 45001	TL5 8001-2010 CPF SHE&En Standard	

Note : Policies and guidelines of the Company are in compliance with the above standards. In this regard, the operation in each country will decide on application of standard certification as deemed appropriate based on the country's laws as well as requirements of the Company and customers.

the quality of food before delivering it to consumers. Services provided by food laboratories are 1) testing which covers chemical, microbiological, physical, and sensory tests, including random sampling process for laboratory analysis throughout the value chain before delivering products to consumers, and 2) calibration: There is a process to calibrate scientific instruments used in laboratories and production process to ensure accuracy in continuous operations.

The Company's laboratories have been accredited for quality management system of microbiological and chemical testing of food and feed samples according to ISO/IEC17025 standards from having modern technology equipment that can be traced throughout the supply chain, which creates satisfaction in product quality standards for customers. In addition, laboratories conduct a sample management process through the "Smart iLab" system which yields quick, accurate, and reliable testing and calibration results. They also place great attention on food quality assessment in terms of physical quality and 5 sensory quality, namely appearance, odor/aroma, taste, flavor, and texture. The laboratories conduct tests under the Sensory Online system using computers and electronic communication tools that simplify work and make the process easier and faster. It also reduces errors in data recording and can solve various problems arising from the production process in a timely manner.

Packaging: The Company has a packaging research and development team to recruit and co-develop with partners to obtain efficient packaging to preserve the safety and nutritional value of its food products with a longer period of time, as well as reducing its impact on environment. The Company's packaging has product labeling that indicates the nutritional value and Guideline Daily Amounts. Furthermore, the Company commits to develop packaging that minimizes the environmental impact.

In Thailand, the Company uses plant-based polylactic acid (PLA) for its refrigerated pork and chicken products

Sustainable Packaging



New substitute materials from sustainably managed sources.



Promote the system to bring used packaging back into reused process or their conversion into energy sources.



Increase the proportion of recyclable materials in packaging as appropriate without compromising on quality.



Develop packaging used in manufacturing or transportation processes, reusable formats instead of single-use ones, for ensuring suitability and food safety.

and mono material technology to make the packaging 100% recyclable. The proportion of recyclable and reusable packaging has been increased. The Company promotes the use of recycled materials in various packaging and reduce plastic waste in the value chain of all business lines. For restaurants under the Company, more than 200 branches of "Chester" nationwide use melamine plates and stainless steel utensils as well as glasses instead of single-use plastic products.

Marketing and Distribution Channels:

The Company has a variety of distribution channels to facilitate consumers' access to food, based on responsible marketing. It also co-creates sales innovations with partners and ensures that communications and advertisements are not misleading. Ingredients and nutritional value are completely specified on the packaging in accordance with relevant laws and standards. In addition, the Company conducts regular customer and consumer satisfaction surveys to gather

information and opinions to improve its quality and forms of products and services to meet consumers' needs continuously.

The Company's distribution channels include:

- Traditional trade or fresh market
- Wholesale and modern retail channels including hypermarkets, supermarkets and convenience stores
- HoReCa or Hotel, Restaurant and Catering business
- The Company's distribution channels include the following businesses:

- **Five-star Business** is a business whose main operation is to create distribution channels aimed at promoting job creation, creating shared value with small entrepreneurs in the form of franchises under the brand "Five Stars" both in Thailand and abroad. It provides a wide range of products, with the main ones being grilled chicken, deep fried chicken roll, and fried chicken. In addition, the Five-star business has expanded its distribution points to cover ready-to-eat pork products under the brand Hi Pork and restaurant business such as Iron pan and Hainan Chicken Rice.
- **Chester Restaurant** is a fast-food restaurant business with both branches operated by the Company and branches operated in a franchise model. Most branches are operated in Thailand.
- **CP Food World** operates food courts in Thailand within hospitals, educational institutions, and offices. It consists of the Company Group's restaurants and restaurants from external partners with a focus on diversity, affordable prices, and hygiene standards.
- **Great Harbour Buffet Restaurant** serves international cuisine in Thailand. It is based on the concept of being a port of deliciousness.
- **Chickita Fast Food Restaurant** is a fast-food restaurant business with stylish atmosphere in Vietnam whose main product is signature grilled chicken with a variety of dipping sauces.

Distribution Channel



1
Traditional Trade or Wet Market.



2
Modern Trade & Retail, for example, convenience stores, supermarkets hypermarket, and wholesale distribution centers.



3
Food Services for example, hotels, restaurants, fast-food chains, food courts, and catering businesses.



4
Distribution channels of the Company's brand, encompassing both restaurants and food centers.

- **Farmfactory Restaurant** is a healthy restaurant business in Thailand highlighting ingredients and homemade dressing with a unique flavor.
- **Ramen HABU** is a modern ramen restaurant with authentic recipes from various cities in Japan. The fragrant and delicious ramen is made from quality ingredients with great attention in every step.

The food industry is marked by rapid changes and intense competition, largely attributable to urbanization. As consumer lifestyles continue to evolve, there is a growing demand for convenient, ready-to-eat food products. Despite this trend, consumers still prioritize high-quality food, particularly health-focused products that are sourced from credible suppliers. As a result, the Company must conduct comprehensive research and development to continuously produce products that meet these needs while also tailoring production to suit the consumption culture of each region. As reaching customers is crucial in the food business, the Company therefore places great importance on its strategies to cater to consumers' needs and provide them with food security as much as possible both in normal circumstances and in crisis.

Frameworks to manage innovation

With changes in the economy, environment, as well as the emerging world, global society and consumer needs have been changing rapidly. Innovation is therefore important to improve competitiveness for success and added value of the organization, as well as promoting effective operations, enabling the Company to adapt quickly according to evolving situations and to produce products and improve services to be in line with the satisfaction of all stakeholders. It also creates sustainable growth of performances. The Company has **mission of driving innovation towards becoming the "Kitchen of the World"** as follows:

1. Create Innovative Organization

Innovation is one of the Company's values or the CPF Way, which revolves innovativeness. The Company therefore focuses on creating an "innovative organizational culture" by encouraging all employees to innovate and create innovative projects that can be applied in the organization and lead to the development and production of new products and services. The three important elements include working environment, personnel, and innovation management standards. Every business unit must participate in the innovation development, focusing on 5 areas: (1) efficient production innovation, (2) value-added innovation, (3) innovation in health and hygiene products and services, (4) business model innovation for growth, and (5) innovation for sustainable organization to increase the Company's competitiveness as a whole and maintain the environmental balance, as well as being responsible for taking care of the surrounding community and society. The Company shall make a consideration on selecting partners from external organizations to jointly develop and complement each other's skills and capabilities.

The Company aims to create conducive working environment to encourage creative thinking exercises and initiation of new things by organizing a **knowledge competition under the name "CPF KM Excellence Awards"** annually and join **Charoen Pokphand Group innovation contest under the name "CP Innovation Exposition"** every two years so that employees at all levels in the organization have an opportunity to showcase their capabilities and reflect their opinions towards the Company regarding the work process through the submission of innovative works. The innovation works are categorized into 3 levels under the concept of 3i:

i1 or Improvement: work that consistently improves working condition;

i2 or Invention: newly invented and developed works to improve work efficiency; and

i3 or Innovation: inventions or new methods that create business results and enable significant expansion or revenue generation.

The Company has adopted the ISO 56002 innovation management system as a guideline for developing the organization's innovation management system together with the implementation of the 3i performance development guideline and performance score evaluation (iScore). The Company also encourages its personnel to learn and take action to achieve skills in innovation development, as well as providing basic knowledge about intellectual property. The Company has organized an organization-wide innovation management structure through the Innovation and Efficiency Development Committee. There are two models as follows:

1. Top Down Innovation Project through six working groups of Innovation and Efficiency Development Committee consisting of Agri Tech, Bio Tech, Food Tech, Sustain Tech, Operation Tech, and Information Tech.
2. Bottom Up Innovation Project through the Company's Innovation Office. There are also projects to promote the new generation of personnel through work to create opportunities to do new things.

In 2023, the Company registered patent protection and petty patents in Thailand, totaling 435 works. It also received the National Innovation Awards for innovative organization in the large private organization category from the National Innovation Agency or NIA.

2. Build an Innovation Network and Connect with Global Ecosystem

The Company builds an innovation network through gathering its knowledge, experts and innovation as well as creating cooperation in innovation development among companies in the group, business partners, universities, startups, and world-class leading companies such as:

- Cooperation with educational institutions: The Company has cooperated with Rajamangala University of Technology Tawan-ok to enhance personnel skills and research and develop technology in automation and robots for the Company's production process.
- Cooperation in packaging innovation from pulp and polymer with SCG Packaging Public Company Limited or SCGP and environmentally friendly plastic innovation (Green Polymer) with SCG Chemicals Public Company Limited or SCGC: We jointly study and develop environmentally friendly packaging solutions for the Company's food products which reduce greenhouse gas emissions and are also clean and safe for consumers. The Company open up opportunities to develop innovations together with partners throughout the value chain who have shared sustainability goals to drive the industry according to ESG (Environmental, Social and Governance) business operations and support the demand for environmentally friendly packaging markets within the country that are continuously growing.

3. Promote the Potential of Talent Individuals

The Company has a policy to provide an opportunity for employees to learn various innovations by participating in seminars or trainings organized by leading organizations both domestically and abroad. Internal trainings and education at top universities are provided. This includes organizing a design thinking framework course within the organization to develop innovation ideas for employees. The acquired knowledge or innovation will be shared and stored systematically through each department's Knowledge Base Management and a work manual to share experiences to the next generation.

For knowledge management to create a learning society heading towards an innovative organization, the operations are divided into three aspects: **Process** of knowledge management begins with the establishment of a committee, body of knowledge, operational plans and indicators. Content then is gathered which are classified into Fact, Flow, Case Study, Best Practices as well as various academic articles. This is followed by setting the access, updating body of knowledge, and tracking usage. For participation of **People** involved in body of knowledge cooperate, there is a cooperation among experts, relevant employees, and the Knowledge Management working group. They prepare information to present to executives and always update the content to be up to date. The final part is **Platform** of knowledge which can be accessed through the SAP system, CPF Connect application, and online courses on the ImRU system.

4. Business Driver Innovation

The Company's innovation works include product development that is in line with consumer satisfaction and innovation in work operations for better efficiency, reducing steps that affect personnel health and cost of work or production with consideration of society and environment. These works have been used to optimize operational efficiency, resulting in the Company's good turnover by the implementation of modern technology and innovation. Examples of innovations are as follows:

“ The most important strategy for CPF to drive corporate success in the 4.0 era is to use **Innovation Towards Sustainability** to generate value for both the business and all of CPF's products. This can be achieved by **leveraging technologies as tools** to increase accuracy and reduce losses ”

Mr. Prasit Boondoungprasert
Chief Executive Officer
Charoen Pokphand Foods Public Company Limited



Food Innovation

Thai Food - Mission to Space



This project enhance the quality and safety of chicken meat with probiotics solutions, which are good microorganisms beneficial for intestine. The Company has collaborated with world-class research institutes to create Probiotics Fed innovation for improved gut health, good disease resistance, and fast-growing and strong chickens. It also helps reduce the use of medicine in animals, leaving no residue and resulting in high quality chicken meat with the highest level of food safety in accordance with NASA's space food standard. This is the highest safety standard for producing food for astronauts operating on the International Space Station. This is a demonstration of the Company's advanced capabilities in technological innovation and safety in chicken meat production.

Spicy Bologna Lower Sodium



Consumers, especially those with health problems, are increasingly paying more attention to the sodium level in food. The Company has developed food with lower sodium content while still maintain good quality and taste. One of the examples is the spicy bologna product with sodium content reduced by more than 25% by applying raw materials like modified starch and enzyme to turn the softer texture from reduced sodium back to being firm, springy and flexible as before and maintain the same deliciousness as the original recipe.

NutriMax Medical Food

NutriMax under Innoweness brand is medical food that contains complete nutrients and nutrition. The product is made from natural ingredients such as pumpkin, chicken breast, egg, and rice bran oil and contains 13.4 grams of protein, provides 278 kilocalories of energy, and includes 20 types of vitamins and minerals. It has been granted quality certification according to international standards. NutriMax is a product with complete nutritional value, delicious, convenient and ready-to-eat. In addition, NutriMax has been confirmed by medical journals that it can effectively help restore the health of patients with malnutrition and the elderly.



Emperor Duck (Hygienic Fresh Duck, U Farm Brand)



The process starts with selecting quality duck breeds, feeding cereals rich in omega 3 to make them healthy and naturally strong without the use of antibiotic or hormones to accelerated growth. Ducks are raised free-range in closed housing with good disease control and prevention.

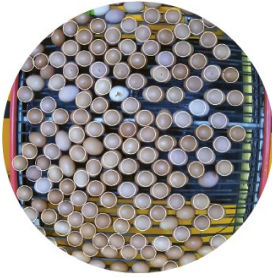
Plant-based Raw Fish

SuperDrob S.A., a Polish joint venture, has developed plant-based raw fish (rice protein) as an alternative for health-conscious consumers who want to reduce their consumption of meat. Plant-based fish products are used as replacement for salmon and tuna meat with high nutritional value. The products are available in the forms of sashimi and smoked fish, in both thinly sliced and cubed form, in Germany, Finland, Netherlands, Sweden, Switzerland and Poland.



Innovations to improve production efficiency

Eggs Quantity Controller for Pre Grading Using an Artificial Intelligence System



The system utilizes a camera system and artificial intelligence to assess the quantity of eggs on the conveyor and adjust the speed of the conveyor belt that automatically transports eggs from the farm to the egg grading facility. These are used to reduce egg breakage and food loss in the production process, as well as improving production efficiency and reducing possible errors by operators.

Automatic Rice Husk Flipping Robot

The Company has studied and developed automatic mobile robot for broiler farming. It is implemented to flip rice husk used as flooring material necessary for the health of animals to reduce the amount of gas in the house. Automatic rice husk flipping robot can effectively replace manual labor and reduce the workload of workers.



Farm innovation

Integrated Water Management Project



Integrated water management project for swine business combines innovation and advanced technology to manage water in the production process throughout the supply chain. It also takes care of the environment and conserves water resources responsibly, as well as sharing various knowledge to the community. This includes the underground water bank project, water risk management, flood management, effective drought prevention to ensure year-round water supply to community residents and farmers. These have been expanded to the national level and various educational institutions.

Development of Modified Lysozyme with Nanotechnology to Substitute Antibiotics for Aquatic Animals

Modified lysozyme is an enzyme developed to substitute the use of antibiotics in aquatic animals. This enzyme's structure has been modified using nanotechnology to be able to withstand heat and effectively destroys the cell walls of both gram-positive and gram-negative bacteria. This is in contrast to general lysozyme that has an inhibitory effect only on gram-positive bacteria, making aquaculture farmers refrain from using lysozyme and turn to antibiotics to treat infections in aquatic animals instead. The use of antibiotics causes residue in the water and brings about reservoir of antibiotic resistance genes.



Value added Innovation (Waste to Value)

Shaped Chicken Meat without Flour



This dog snack production innovation has adjusted new techniques for baking, flour cutting, coloring and shape forming agents. The sterilization process has been adjusted to the first step to prevent the outer layer from drying out and becoming hard. The process of marinating meat has been added to make the meat suitable for good shape forming with a new injector tool. The snack has been produced under the Doggie Paws brand and added value to its byproducts from the Company's production.

Biogas for Food

Biogas food is an innovation that is added to biogas ponds in swine farms to increase the efficiency of decomposition of organic matter in wastewater into gas. It acts as food for microorganisms that are used to decompose waste from swine farming. Biogas food can increase the concentration and yield of methane gas used for generating electricity as renewable energy sources in swine farms. This helps reduce energy costs and greenhouse gas emissions.



Concrete Innovation from Biogas Residue



Biogas production process in layer farms relies on farming waste consisting of chicken manure and leftover calcium. When those wastes are cured and biogas is successfully produced, there will be leftover materials from biogas production that must be disposed. Malaysian operation sees the benefits of those wastes and has successfully applied them as materials for concrete. This innovation not only solves the waste disposal problem but also becomes a waste-to-value initiative and important source of materials for concrete used on farms.

Innovation research and development costs

In 2023, the Company's expenditure on research and development of technology and innovation approximately THB 2,700 Million, or 0.46% of total sales.

Investment Privilege

CPF and its subsidiaries have been granted privileges relating to their businesses both in Thailand and oversea. Most of which are an exemption or reduction of corporate income tax on net profit of the promoted business for certain periods and conditions. Some certain businesses have also been granted an exemption from payment of import duty and tax on machinery as approved by the Board of Investment as well as a deduction of the infrastructure installation or construction cost in addition to depreciation.

(2) Marketing and competition

Agricultural Economic Review of Major Products in 2023 and Outlooks in 2024

Broiler (Source: USDA - October 12, 2023)

In 2023, the production volume of chicken meat worldwide was 102.3 million tons, a slight increase from 2022 (101.8 million tons). The major producing countries remained the United States of America, producing 21.1 million tons, followed by Brazil with 14.9 million tons, China with 14.3 million tons, the European Union with 11.0 million tons, and Russia with 4.9 million tons. For Thailand, broiler production increased. In 2023, Thailand produced 3.45 million tons of chicken meat, an increase of 4.5% from 2022 (3.30 million tons).

In 2024, chicken meat production worldwide is forecast to be 103.3 million tons, an increase of 1%. Production in Thailand is forecast to increase by 1% to 3.49 million tons.

Major chicken meat exporting countries worldwide in 2023 were Brazil, ranked first with an export volume of 4.85 million tons, followed by the United States of America with 3.32 million tons, the European Union with 1.73 million tons, and Thailand, ranked fourth with approximately 1.09 million tons, accounted for 6.8% compared to 2022.

In 2024, Thai chicken meat export is forecast to expand to 1.12 million tons, an increase of 2.8% from the previous year. The domestic market is likely to grow as the economic situation gradually recovers, especially the food and restaurant business due to the accelerated growth of tourism business from opening up country for foreign tourists. Meanwhile, exports of broiler products continue to grow from positive factors including: 1. increased consumption demand from major trading partners such as Japan, the United Kingdom, and China, 2. market expansion to countries in the Middle East especially Saudi Arabia, 3. Free Trade Agreement (FTA) which helps increase competitiveness and expand the export market for Thai broiler products.



Swine (Source: *United States Department of Agriculture: USDA and the Swine Raisers Association of Thailand*)

Global Production

Global production in 2024 is expected to remain unchanged at 115.5 million tons, as lower production in the European Union and China will be mostly offset by larger production in Brazil, Vietnam and the United States of America.

European Union: The production is expected to decrease by 2% year-on-year to 21.2 million tons. The number of swine farms in the European Union continued to decline in 2023 and it is expected to have 10.3 million swines in 2024, a decrease of 1%. Feed prices continued to decrease, resulted in better profitability in 2023. However, weak domestic demand and the lack of new export markets to replace China are expected to lead to industry restructuring in 2024 as manufacturers attempt to adjust production in response to decreased overall demand.

China: The production is expected to decrease by 1% due to weak domestic demand, resulted in huge losses for the industry in 2023, prompting manufacturers to reduce production.

Brazil: The production is expected to increase by 5% compared to the previous year. Swine prices reflect the growth of many export markets including Mexico, Singapore and the Dominican Republic. Raw material costs are expected to decrease, leading to better profit margins for manufacturers.

Vietnam: The production is expected to increase by 5% to 3.7 million tons due to recovered domestic demand following the economic recovery after the COVID-19 outbreak and increased efficiency from industry investments and mergers.

Global Export

Global exports are expected to increase by 2% to 10.4 million tons in 2024 as Brazil exports continue to gain market share of pork products in the European Union and the United States of America, especially in Japan and Mexico. The United Kingdom exports are expected to increase by 9% due to lower raw material prices and higher swine prices, which are expected to lead to more production that enables exports to the European Union and China. Global pork imports are forecast to increase by 1% in 2024, with increases from Hong Kong, China and Japan that offset lower imports from Taiwan and the United Kingdom.

Thailand Situation

In 2023, swine population was expected to raise 18.5 million swines, which increased from the previous year as the market overcame the pandemic situation. In addition, the price situation in the previous year continued to increase as demand was higher than production. This drove manufacturers to increase the quantity of parent breeding stock and the production capacity of swine. However, the epidemic in 2023 caused damage to swine breeders. As a result, manufacturers and farmers require time to come back into the market and increase swine population. In 2024, it is expected that there will be 17.8 million swines.

Factors Affecting Production

The first factor is swine disease. Although current swine farming management has become more efficient with better control of disease, there are still risk factors for swine diseases, such as Porcine Epidemic Diarrhea (PED), Porcine Reproductive and Respiratory Syndrome (PRRS), and African Swine Fever (ASF) etc. Improve farm biosecurity to monitor and prevent disease results in increased production costs for farmers. In addition, Thailand has not yet been certified to be free of FMD, thus limiting the export of harvested and processed pork abroad.

Production costs have increased, especially the costs of feed, energy, and biosecurity systems. Meanwhile, pork products are under price control measures. Therefore, it may affect farmers' decisions to return to swine farming.

The economic recovery after the COVID-19 outbreak has resulted in increased demand for swines both domestically and abroad. This is a positive factor that motivates farmers to increase the quantity of swine production to be in line with market demand.

**Shrimp** (Source: Thai Shrimp Association)

For shrimp situation in Thailand, in 2023 total farmed shrimp production was at 280,000 tons at the same amount as in 2022. It was divided into shrimp production from the upper southern region (33%), the eastern region (25%), the lower southern region on Andaman coast (20%), the central region (12%), and the lower southern region on the Gulf of Thailand coast (10%).

In 2024, production is forecast to increase to approximately 290,000 tons. The US market is expected to show signs of improvement from AD/CVD lawsuits of major producing countries, resulting in importers start ordering shrimp from Thailand.

Global shrimp production is estimated to be approximately 5.07 million tons, a decrease of 1%. China's shrimp production increased by 28% from the previous year, Ecuador increased by 1%, while the shrimp production in Asian countries, namely Vietnam, India, and Indonesia, decreased in every country. It is predicted that global shrimp production next year will decrease by approximately 1%, as shown in Table 1:

Table 1: Global Shrimp Production in 2018-2023

*World shrimp production 2018 - 2023**Unit : Thousand Ton*

Country/Year	2018	2019	2020	2021	2022	2023*	%Change 23/22
Thailand	290	290	270	280	280	280	-
China	525	625	550	800	900	1,150	28%
Vietnam	415	443	600	723	653	548	-16%
Indonesia	270	260	270	250	280	270	-4%
India	560	580	600	730	850	700	-18%
Malaysia	35	48	50	50	53	45	-15%
the Philippines	56	54	55	60	70	70	-
Central and South America	872	1,073	1,242	1,503	1,832	1,860	2%
- Mexico	162	165	170	150	165	165	-
- Brazil	50	65	85	120	110	130	18%
- Central America	100	110	80	85	94	80	-15%
- Peru	30	33	25	38	48	45	-6%
- Ecuador	500	670	850	1,050	1,350	1,365	1%
- Columbia & Venezuela	30	30	32	60	65	75	15%
Other	200	135	158	163	191	147	-23%
Total	3,223	3,508	3,795	4,559	5,109	5,079	-1%

Source: Thai Shrimp Association, *Estimation

Thailand's shrimp exports in January-October 2023 were at 109,663 tons amounted to THB 36,284 million. The volume decreased by 9% and the value decreased by 14% compared to January-October 2022 as shown in Table 2.

Table 2: Thailand's shrimp exports in 2023 (January - October)

Export of Thai Shrimp 2023 (Jan - Oct)

Unit : Tons , Value : THB Million

No.	Country	Jan - Oct 2023		% of Total export	Jan - Oct 2022		%Difference 23 / 22	
		Quantity	Value		Quantity	Value	Quantity	Value
1	Japan	27,155	9,405	25%	31,720	11,556	-14%	-19%
2	The United States	23,964	9,854	22%	31,068	12,954	-23%	-24%
3	China	22,112	7,745	20%	18,735	6,729	18%	15%
4	Southeast Asia	15,066	1,538	14%	13,176	1,374	14%	12%
5	China (Taipei)	6,617	2,094	6%	6,169	2,112	7%	-1%
6	South Korea	4,812	1,851	4%	5,998	2,426	-20%	-24%
7	Australia	2,857	1,107	3%	3,698	1,426	-23%	-22%
8	Cannada	2,505	916	2%	3,873	1,484	-35%	-38%
9	EU	957	394	1%	1,339	507	-29%	-22%
10	United Kingdom	667	270	1%	1,287	498	-48%	-46%
11	Others	2,951	1,110	3%	3,247	1,275	-9%	-13%
Total		109,663	36,284	100%	120,310	42,341	-9%	-14%

Source: The Customs Department - collected from Thai Shrimp Association

Currently, the Thai shrimp industry is facing a perfect storm, consisting of (1) an oversupply problem from low consumption, (2) high production costs, both direct costs and hidden costs resulting from disease damage, (3) low shrimp prices, and (4) shrimp diseases such as White Feces Syndrome (WFS), White Spot Disease (WSD), and Yellow-head Virus (YHV), among others.

The production volume is stable this year as shrimp disease problems are still not completely resolved, such as White Feces Syndrome (WFS), White Spot Disease (WSD), and Yellow-head Virus (YHV) among others. Other problems include declined shrimp prices and increased production costs, more expensive raw materials, and higher energy prices. Some farmers have been able to adapt by raising larger size shrimp while some slow down their shrimp farming. It is expected that this situation will continue until next year because shrimp production continues to be distributed in the world market during the economic downturn, inflation, and shrimp importers still have sufficient stocks.

In 2024, Thailand will see an opportunity to export shrimp to the United States of America. This is because the world's major shrimp producing countries including Ecuador, India, Indonesia, and Vietnam have been called by the United States for the investigation of Anti-Dumping Duty (AD) and Countervailing Duty (CVD) to collect retaliatory taxes. Such situation creates risks for importers like the United States of America, while the four countries mentioned above export to other markets instead, such as China and Japan, to reduce risk. It is expected that the United States of America will turn to import more shrimp from Thailand as a high quality shrimp manufacturer.

(3) Procurement of products or services

Total capacity for major products in 2022-2023 is shown below:

Factory	2022			2023		
	No. of factories	Maximum capacity	Capacity utilization rate	No. of factories	Maximum capacity	Capacity utilization rate
Feed factories (Million tonnes)	65	20	76%	68	22	76%
Livestock processing factories (Thousand tonnes)	98	4,434	68%	113	4,623	68%
Aquaculture processing factories (Thousand tonnes)	11	104	39%	7	97	31%

Raw materials

Details of raw materials are shown in 1.2.2 Nature of Products

**(4) Assets used in business undertaking****(4.1) Tangible core assets**

Major fixed assets used for operation which belong to the Company including assets under finance leases are as follows:

Unit : THB Million

Type of Assets	Book value as of December 31,	
	2022	2023
Land	67,782	69,469
Building, building-improvements and utilities system	112,238	108,467
Machinery and equipment	63,322	59,759
Assets under construction and installation	25,386	20,799
Others	7,936	6,650
Total	276,664	265,144

CPF had a commitment to transfer the ownership of assets, with total book value of THB 18 million as of December 31, 2023, to Maejo University (the “university”). Currently, such assets (utilities system, Machinery and equipment and others) belong to CPF. According to the Cooperative Technical agreement with the university, the university allowed CPF to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as of December 31, 2025. Under the terms of the agreements, CPF is committed to transfer the ownership of the project property to the university at the expiration of the agreements. In addition, as of December 31, 2023, certain foreign subsidiaries had secured long-term borrowings totalling THB 17,400 million (2022: THB 26,140 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of THB 16,401 million (2022: THB 17,746 million), current and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying amount of THB 4,867 million (2022: THB 6,743 million).

In addition to the assets owned by CPF as described above, as of December 31, 2023, the Company has right-of-use assets covering land, buildings, equipment, vehicles and leasehold rights of THB 35,497 million for the periods of 1 to 55 years, expiring in 2024-2078.

(4.2) Patent, concession, copyright and trademark**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 foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreement.

Trademark

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

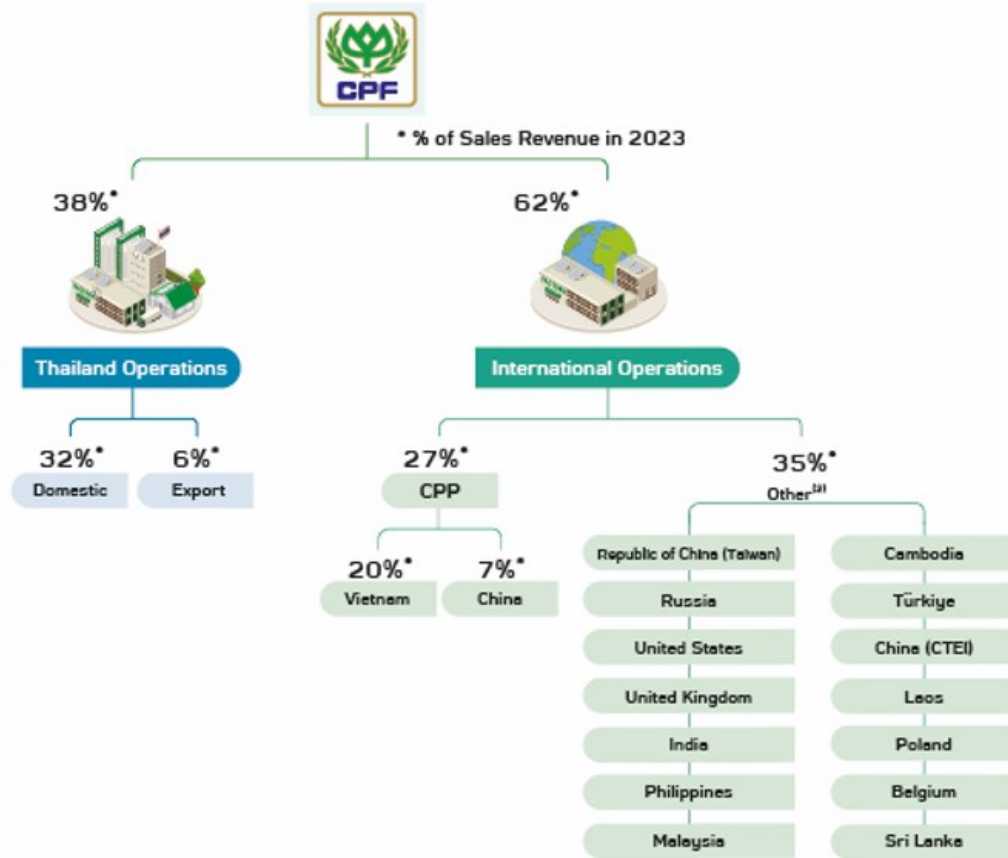
(4.3) Investment policy and management

CPF has a clear investment policy to invest in main or related businesses. CPF generally appoints its representatives to hold an authorized directorship position in subsidiaries in order to govern such subsidiaries according to the Company’s policy effectively and efficiently. The subsidiaries will submit the performance report to CPF monthly while at least 2 meetings will be conducted annually to consider the performance and mutually establish plan and goal.

Regarding an investment, CPF may invest directly or assign other subsidiaries with related business to invest. CPF has a policy to invest 100% in subsidiary except an investment with business partners or listed companies.

1.3 Shareholding Structure

1.3.1 Shareholding structure of the Group as of December 31, 2023



Associates & Joint Ventures⁽¹⁾

CP-Meiji	(59.99%)	SuperDrob	(49.45%)	Well Well Invest S.A.	(33.33%)
HyLife Investment	(50.10%)	Cemenor Productos Marinhas	(40.00%)	Associate and JV of CPP ⁽²⁾	
Ross Breeders Siem	(49.99%)	CP All	(34.45%)	Chia Tai Investment	
Arbor Acres Thailand	(49.98%)	CP Axtra	(8.85%)	(26.89%)	

Note :

⁽¹⁾ % of shareholding represent both direct and indirect holding. Presenting only major associates and joint ventures.

⁽²⁾ List of other operation areas.

⁽³⁾ Group of associate and joint venture of CPP. Details are available in Note to Financial Statements for the year 2023.

**Investment of CPF Group****Subsidiaries**

As of December 31, 2023, there were 227 companies³ which CPF has direct and indirect control with detail as follows:

Thailand

Subsidiaries	Type of Business	Registered Capital	Interest (%)
1. CPF (Thailand) Plc. Bangkok Tel. 66-2-766-8000	Agro-industrial and integrated food	THB 15,289,819,314	99.99
2. CPF Food and Beverage Co., Ltd. Bangkok Tel. 66-2-036-4500	Production and sale of ready meals	THB 4,000,000,000	99.98
3. CPF Global Food Solutions Plc. (Formerly CPF Trading Co., Ltd.) Bangkok Tel. 66-2-694-4466	Wholesale and retail food products	THB 833,350,000	99.98
4. Bangkok Produce Merchandising Plc. Bangkok Tel. 66-2-766-8000	Animal feed raw materials distribution	THB 600,000,000	99.44
5. CPF Food Research and Development Center Co., Ltd. Bangkok Tel. 66-35-355-634-8	Food research and development	THB 500,000,000	99.99
6. International Pet Food Co., Ltd. Bangkok Tel. 66-2-059-7121	Production and sale of pet food	THB 300,000,000	99.97
7. CPF IT Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Information technology service provider	THB 250,000,000	99.99
8. CPF Restaurant and Food Chain Co., Ltd. Bangkok Tel. 66-2-641-1362-6	Restaurant	THB 200,000,000	99.97
9. CP Hilai Harbour Co., Ltd. Bangkok	Restaurant	THB 160,000,000	99.99
10. Dak Galbi Group Co., Ltd. Bangkok Tel. 66-2-713-5455	Restaurant	THB 133,000,000	99.98
11. Chester's Food Co., Ltd. Bangkok Tel. 66-2-641-1333	Restaurant	THB 80,000,000	99.97
12. C.P. Merchandising Co., Ltd. Bangkok Tel. 66-2-766-8000	Investment and international trading	THB 51,900,000,000	99.99
13. Westbridge Foods (Thailand) Ltd. Bangkok Tel. 66-2-726-9890	Provision and development for Asian food product	THB 31,325,600	99.97
14. CPF Training Center Co., Ltd. Bangkok Tel. 66-2-766-8000	Training center service provider	THB 20,000,000	99.99
15. Suansomboon Co., Ltd. Bangkok Tel.66-2-011-6888	Agricultural plant farming	THB 700,000,000	99.99

³ Excluding the companies which are in the process of liquidation and/or wound up its operations i.e. C.P. Aquaculture (Hainan) Co., Ltd., Shanghai C.P. Industrial Trading Co., Ltd., Charoen Pokphand Foods Kenya Co., Ltd., CPF Tanzania Ltd., Bellisio Parent LLC., The All American Gourmet Company, Linggi Poultry Farm (M) Sdn. Bhd., CPF Food Trading Co., Ltd. and 9 companies in Fusion group.



Subsidiaries	Type of Business	Registered Capital	Interest (%)
16. Tacharm Agricultural Industry Co., Ltd. Chonburi	Livestock farming	THB 5,000,000	79.99
17. CPF Food Network Co., Ltd. Bangkok	Exporter and importer of processed food, including RTE products	THB 5,000,000	99.97
18. CP-Uoriki Co., Ltd. ⁴ Bangkok	Importer and distributor of seafood products, ready-to-cook, and ready meal	THB 200,000,000	59.98

China

Subsidiaries	Type of Business	Registered Capital	Interest (%)
19. C.P. Aquaculture (Dongfang) Co., Ltd. Tel. 86-898-3696-3979	Shrimp hatchery business	RMB 148,000,000	76.24
20. C.P. Aquaculture (Zhanjiang) Co., Ltd. Tel. 75-983-91726	Shrimp hatchery business	USD 12,000,000	76.24
21. Wesbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	USD 100,000	99.97
22. Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	USD 1,680,000	76.24
23. Beijing CP Consultation Services Co., Ltd. Tel. 86-108-508-9000	Provision of consulting service on economic and trade	RMB 1,500,000	76.24
24. C.P. Food Enterprise (Ningbo) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 122,950,000	76.24
25. Chia Tai Bio-Technology (Beijing) Co., Ltd.	Distributor of feedstuff additives	RMB 90,000,000	50.43
26. Chia Tai (Beijing) Investment Management Co., Ltd. Tel. 86-108-508-9000	Rendering management and advisory service	RMB 1,170,000,000	76.24
27. Chia Tai Food Enterprise (Qingdao) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 94,336,400	76.24
28. CP Food Enterprise (Qinhuangdao) Co., Ltd. Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 117,460,000	76.24
29. Chia Tai Biopharmaceutical (Fujian) Co., Ltd. Tel. 86-108-508-9000	Production and sale of drugs	RMB 60,000,000	35.17
30. Chia Tai Food (Suqian) Co., Ltd. Tel. 86-108-508-9000	Poultry farming, production and sale of chicken meat products	RMB 856,298,060	76.24
31. Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	76.24
32. Hubei Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of animal feed and breeding and processed food	RMB 280,000,000	76.24
33. Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd. Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	76.24
34. Jilin Chia Tai Food Co., Ltd. Tel. 431-808-838-4966	Food processing plant, production and distribution of processed meat and ready meal	RMB 380,000,000	76.24
35. Fujian Chia Tai Food Co., Ltd. Tel. 86-108-508-9000	Sale of processed poultry meat	RMB 218,000,000	53.37

⁴ Another major shareholder was Uoriki Co., Ltd. with 40.00% stake



Subsidiaries	Type of Business	Registered Capital	Interest (%)
36. Fujian Hetai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and sale of poultry	RMB 50,000,000	53.37
37. Longyan Baotai Agro-Industry Co., Ltd. Tel. 86-108-508-9000	Farming and sale of poultry	RMB 60,000,000	53.37
38. Longyan Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production of processed poultry meat	RMB 180,000,000	53.37
39. Henan Chia Tai Biochemistry Trading Co., Ltd.	Trading of animal drugs	RMB 10,000,000	35.17
40. Pucheng Chia Tai Biochemistry Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 189,890,000	35.17
41. Zhumadian Huazhong Chia Tai Co., Ltd. Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 72,000,000	35.17
42. Dongying Chia Tai Aqua Co., Ltd.	Production and sale of animal feed	RMB 35,000,000	76.24
43. C.P.Aquaculture (Jiangsu) Co., Ltd.	Production and sale of animal feed	RMB 12,600,000	76.24
44. Chia Tai Food Industry (Suqian) Co., Ltd.	Production and sale of processed food, processed meat and ready meals	RMB 140,000,000	76.24

Vietnam

Subsidiaries	Type of Business	Registered Capital	Interest (%)
45. C.P. Vietnam Corporation Tel. 84-25-383-6251-9	Production and sale of animal feed, farming and food processing plant	VND 18,199,841,810	83.18
46. CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	VND 2,901,849,000,000	83.18
47. Dzine Food Solutions Co., Ltd.	Restaurants and mobile catering services	VND 70,000,000,000	83.18
48. AHM Lifestyles-Creative Hospitality Joint Stock Company	Restaurant	VND 41,500,000,000	62.43
49. Advanced Aquaculture Viet Nam Co., Ltd.	Aquaculture farming	VND 2,800,907,572,388	83.18

United Kingdom

Subsidiaries	Type of Business	Registered Capital	Interest (%)
50. Food Trac Ltd.	Distribution of meat products	GBP 100	99.97
51. Wesbridge Food Group Limited	Investment	GBP 88.96	99.97
52. Wesbridge Foods Ltd.	Importer and distributor of meat and processed foods	GBP 100	99.97
53. CP Foods (UK) Ltd. ("CPF UK") Tel. 44-1299-253131	Importer, product repacking service and distributor of processed meat and ready meals	GBP 271,200	99.97
54.-104. Subsidiaries of CPF UK (51 companies) ⁵	Importer and distributor of processed meat and ready meals	GBP 1	99.97
105. The Foodfellas Ltd. Tel. 44-2086-223064	Importer, exporter, and distributor of food raw materials, food products and frozen fresh fruit	GBP 15,567	99.97

⁵ 51 subsidiaries of CP Foods (UK) Ltd. were as follows:

- | | | | | |
|-------------------------------|----------------------------|-----------------------------|--------------------------|---------------------------|
| 1. Fusion Abbey Park Ltd. | 2. Fusion Alfrick Ltd. | 3. Fusion Bracewell Ltd. | 4. Fusion Bransford Ltd. | 5. Fusion Broadway Ltd. |
| 6. Fusion Brothwood Ltd. | 7. Fusion Calis Ltd. | 8. Fusion Carnoustie Ltd. | 9. Fusion Charlton Ltd. | 10. Fusion Crowle Ltd. |
| 11. Fusion Dalaman Ltd. | 12. Fusion Defford Ltd. | 13. Fusion Dormington Ltd. | 14. Fusion Driscoll Ltd. | 15. Fusion Dumbleton Ltd. |
| 16. Fusion Eastoe Ltd. | 17. Fusion Elmbridge Ltd. | 18. Fusion Everton Ltd. | 19. Fusion Exning Ltd. | 20. Fusion Fethiye Ltd. |
| 21. Fusion Gatley Ltd. | 22. Fusion Gocek Ltd. | 23. Fusion Gray Ltd. | 24. Fusion Harper Ltd. | 25. Fusion Hawstead Ltd. |
| 26. Fusion Heartford Ltd. | 27. Fusion Heath Ltd. | 28. Fusion Head Street Ltd. | 29. Fusion Irvine Ltd. | 30. Fusion Kaitaia Ltd. |
| 31. Fusion Kroma Ltd. | 32. Fusion Krone Ltd. | 33. Fusion Littleworth Ltd. | 34. Fusion Madeley Ltd. | 35. Fusion Newlands Ltd. |
| 36. Fusion Niamh Ltd. | 37. Fusion Pershore Ltd. | 38. Fusion Priest Lane Ltd. | 39. Fusion Samui Ltd. | 40. Fusion Soham Ltd. |
| 41. Fusion Southall Ltd. | 42. Fusion Stevens Ltd. | 43. Fusion Thetford Ltd. | 44. Fusion Turgay Ltd. | 45. Fusion Uzumlu Ltd. |
| 46. Fusion Van Den Hauwe Ltd. | 47. Fusion Wadborough Ltd. | 48. Fusion Wellington Ltd. | 49. Fusion Whistler Ltd. | 50. Fusion Wright Ltd. |
| 51. Fusion Yamac Ltd. | | | | |



Republic of China (Taiwan)

Subsidiaries	Type of Business	Registered Capital	Interest (%)
106.Chun Ta Investment Co., Ltd.	Investment	NTD 50,000,000	100.00
107.Ta Chung Investment Co., Ltd.	Investment	NTD 100,000,000	100.00
108.Charoen Pokphand Enterprise (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Chicken integration and livestock farming	NTD 3,579,000,000	39.00
109.Charoen Pokphand (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Importer and distributor of feedstuff additives and animal vaccines	NTD 27,152,400	35.10
110.Rui Mu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 600,000,000	26.52
111.Rui Fu Foods Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 800,000,000	19.89
112.Sheng Da Food Co., Ltd. Tel. 86-225-507-7071	Layer chicken business	NTD 300,000,000	16.07
113.Arbor Acres (Taiwan) Co., Ltd. Tel. 886-2-250-77071	Livestock farming	NTD 32,000,000	19.50

India

Subsidiaries	Type of Business	Registered Capital	Interest (%)
114.CPF (INDIA) Private Ltd. Tel. 91-44-265-68406	Production and sale of animal feed, farming and food processing plant	INR 8,285,687,500	99.99
115.C.P. Aquaculture (India) Private Ltd. ¹⁶ Tel. 044-4604-9999	Production and sale of shrimp feed, shrimp hatchery and sale of shrimp processing	INR 250,000,000	75.00
116.CP Norfolk (India) Private Ltd.	Processed food business	INR 1,500,000	87.99

USA

Subsidiaries	Type of Business	Registered Capital	Interest (%)
117.Bellisio Foods, Inc.	Production and distributor of ready meals	USD 100	100.00
118.Bellisio Investment, LLC	Investment	N/A	100.00
119.C.P. Food Products, Inc. Tel. 1-410-505-5017	Importer and distributor of seafood products, RTE products and frozen fruit	USD 7,980,000	99.98
120.Frozen Specialties, Inc.	Production and distributor of ready meals	N/A	100.00
121.FSI Parent Corp.	Investment	N/A	100.00
122.Homegrown Shrimp (USA), LLC.	Shrimp farming	USD 23,100,000	100.00
123.Overhill Farms, Inc.	Production and distributor of ready meals	N/A	100.00
124.Berice LLC.	Investment in restaurant	USD 3,100,000	99.99
125.Yipeng, LLC.	Restaurant	USD 1,765,000	99.99

Russia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
126.Agro-Oskol CJSC Tel. 7-496-634-1963	Agricultural plant farming	RUB 2,100,000	75.82
127. Agro-OstrogorzhsK LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 227,600,000	75.82
128.Agro-Sojuz TS LLC. Tel. 7-496-634-1963	Investment	RUB 10,000	75.82
129. Alekseevskiy Kombikormovy Zavod CJSC Tel. 7-496-634-1963	Animal feedmill	RUB 2,100,000	75.82
130.Alekseevsky Bekon JSC Tel. 7-496-634-1963	Livestock farming	RUB 4,248,800,850	75.82

¹⁶ Another major shareholder was P.T. Proteina Prima with 25.00% stake



Subsidiaries	Type of Business	Registered Capital	Interest (%)
131.APK Don LLC. Tel. 7-496-634-1963	Management and advisory service	RUB 1,000,000	75.82
132.Chochol Trostjanka LLC. Tel. 7-496-634-1963	Agricultural plant farming	RUB 1,000,000	75.82
133.Donskoy Bekon LLC. Tel. 7-496-634-1963	Livestock farming	RUB 20,000,000	75.82
134.Farm Construction LLC. Tel. 8-831-211-3011	Swine farm construction	RUB 100,000	75.82
135.Kornevo LLC. Tel. 8-401-230-7700	Livestock farming	RUB 203,010,000	75.82
136.Management CompanyRBPIGroup LLC. Tel. 8-401-230-7700	Property lease-out	RUB 173,110,000	75.82
137.Mjaso-Sojuz T LLC.	Investment	RUB 10,000	75.82
138.MPK Belgorod LLC.	Investment	RUB 100,000	75.82
139.NNPP LLC. Tel. 8-831-211-3011	Livestock farming	RUB 483,040,562.83	75.82
140.NNPP-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 900,000,000	75.82
141.Pravdinsk Pig Production JSC Tel. 8-401-230-7700	Livestock farming	RUB 1,030,000,000	75.82
142.Pravdinsk Pig Production-2 LLC. Tel. 8-401-230-7700	Livestock farming	RUB 1,010,000,000	75.82
143.RBPI Elite Seeds LLC	Production of elite seeds	RUB 1,000,000	75.82
144.RBPI Partner East LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 10,000,000	75.82
145.RBPI Partner West LLC. Tel. 8-831-211-3011	Slaughterhouse	RUB 1,000,000	75.82
146.RBPI Voronezh LLC. Tel. 8-401-230-7700	Investment	RUB 10,100,500	75.82
147.Rechnoe LLC. Tel. 8-401-230-7700	Biological waste management services provider	RUB 50,000,000	75.82
148.Charoen Pokphand Foods (Overseas) LLC. Tel. 7-496-634-1963	Animal feedmill and livestock farming	RUB 10,332,569,814	100.00
149.CPF Agro LLC. Tel. 7-496-634-1963	Livestock farming	RUB 605,277,000	100.00
150.CPF Foods LLC. Tel. 7-496-634-1963	Property lease-out	RUB 480,010,000	100.00
151.CPF Ryazan LLC. Tel. 7-496-634-1963	Livestock farming	RUB 87,238,163.21	100.00
152.CPF Serebryanie Prudy LLC. Tel. 7-496-634-1963	Livestock farming	RUB 34,391,907.76	100.00
153.JSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	RUB 1,129,937,718	100.00
154.JSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	RUB 196,500,735	100.00
155.Stesha LLC.	Investment	RUB 21,490,384,913	100.00
156.CP Foods Trading Co., LLC.	Importer and exporter of meat products	RUB 10,000	100.00

Türkiye

Subsidiaries	Type of Business	Registered Capital	Interest (%)
157.C.P. Standart Gıda Sanayi ve Ticaret A.S. Tel. 212-274-8536	Agro-industrial and integrated food	TL 503,965,500	100.00

**Philippines**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
158.Charoen Pokphand Foods Philippines Corp. Tel. 63-45-963-6510	Production and sale of animal feed, farming and shrimp hatchery business	PHP 6,300,000,000	99.99

Malaysia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
159.AA Meat Shop Sdn. Bhd. Tel. 603-8065-1800	Livestock processing retailer	N/A	99.99
160.Asia Aquaculture (M) Sdn. Bhd. Tel. 603-4027-1800	Shrimp farming and processing plant	RM 520,000,000	99.99
161.Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	RM 420,000,000	99.99
162.Chau Yang Farming Sdn. Bhd. Tel. 605-3771-331	Livestock farming	N/A	99.99
163.Makin Jernih Sdn. Bhd.	Investment	N/A	99.99
164.Tip Top Meat Sdn. Bhd. Tel. 603-6091-7340	Livestock processing plant	N/A	99.99
165.Star Feedmills (M) Sdn. Bhd. Tel. 603-4027-1800	Aquatic feed production and distribution	RM 100,000,000	99.99
166.Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Investment in integrated poultry businesses	N/A	100.00
167.Avian Farm (Malaysia) Sdn. Bhd.	Livestock farming	N/A	100.00
168.Charoen Pokphand Jaya Farm (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	N/A	100.00
169.PK Agro-Industry Products (M) Sdn. Bhd.	Production and sale of processing meat and livestock farming	N/A	100.00
170.Teck Huat Farming Sdn. Bhd.	Livestock farming	N/A	100.00

Laos

Subsidiaries	Type of Business	Registered Capital	Interest (%)
171.C.P. Laos Co., Ltd. Tel. 856-21-453508-10	Animal feedmill and livestock farming	USD 15,000,000	99.99

Belgium

Subsidiaries	Type of Business	Registered Capital	Interest (%)
172.CPF Europe S.A. Tel. 32-2357-5380	Importer and distributor of fresh meat and processed food, including RTE products, dry food, ingredients, seafood, and investment	EUR 95,595,000	99.97
173.Tops Foods NV ⁷ Tel. 32-1428-5560	Production and distributor of ready meals	EUR 10,940,000	89.69

Sri-Lanka

Subsidiaries	Type of Business	Registered Capital	Interest (%)
174.Norfolk Foods (Private) Limited ⁸ Tel. 9-411-285-7340	Production and sale of ready meal	LKR 246,500,000	80.00
175.Lotus Aquaculture Lanka (Private) Ltd. ⁹	Shrimp hatchery, farm and cold storage	LKR 360,000,000	75.00

⁷ Another major shareholder was Mr. Michel Tops with 10.02% stake⁸ Other 2 major shareholders were Mr. H. M. Ziauddin and Mrs. H. M. Ziauddin with total 20.00% stake⁹ Other 4 major shareholders were King Aqua Services (Private) Limited and its related companies with total 25.00% stake

**Poland**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
176.CPF Poland S.A. ^{/10} Tel. 48-22-7790600	Agro-industrial and food	PLN 15,733,000	66.67
177.Pet Republic Ltd.	Production and sale of pet food	PLN 2,766,700	60.00
178.CPF Culinar Sp. z o.o.	Production of seafood products	PLN 7,718,000	66.67
179.Food Port Sp. z o.o.	Distributor of seafood products	PLN 300,000	66.67
180.PLANT-TEC Europe Sp. z o.o.	Investment	PLN 861,600	66.67

Cambodia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
181.C.P. Cambodia Co., Ltd. Tel. 24-397-339	Production, sale of animal feed, livestock farming and food processing plant	USD 67,402,000	100.00
182.Cambodia Property and Trading Co., Ltd. Tel. 24-397-339	Property lease-out	KHR 20,000,000	49.00

Denmark

Subsidiaries	Type of Business	Registered Capital	Interest (%)
183.Finagro ASP	Financial service	DK 550,000	75.82
184.CPF Denmark A/S ^{/11} Tel. 45-7526-1330	Importer and distributor of fresh meat and processed food, including RTE products and frozen fruit	EUR 500,000	51.99

Germany

Subsidiaries	Type of Business	Registered Capital	Interest (%)
185.Paulsen Food GmbH	Distributor of fresh meat, processed products, seafood and investment	EUR 25,000	99.97
186.CPF Distribution GmbH	Distribution of ready meals	EUR 511,291.88	99.97
187.ZGG Verwaltungs GmbH	Investment	EUR 26,000	99.97

Canada

Subsidiaries	Type of Business	Registered Capital	Interest (%)
188.Bellisio Foods Canada Corp.	Production and distributor of ready meals	N/A	100.00
189.CPF Canada Holdings Corp.	Investment in integrated swine business	CAD 539,999,986	99.99

Netherlands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
190.CPF Netherlands B.V.	Investment	USD 1,322,640,400	99.99

British Virgin Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
191.Bright Excel Investments Ltd.	Investment	USD 50,000	100.00
192.C.P. Foods Holdings Ltd.	Investment	USD 1,000,000	99.99
193.C.P. Foods International Ltd.	Investment	USD 220,000,000	100.00
194.Coinaton Investments Ltd.	Investment	USD 50,000	100.00
195.CPF Investment Ltd.	Investment	USD 1,750,000,000	100.00
196.CPVN Ltd.	Investment	USD 1,000,000	100.00
197.Forward Pass Ltd.	Investment	USD 50,000	100.00
198.Giant Crown Invesments Limited	Investment	USD 50,000	100.00
199.New Splendid Holdings Ltd.	Investment	USD 50,000	100.00
200.Modern State Investments Ltd.	Investment	USD 120,000,000	76.24

^{/10} Another major shareholder was SuperDrob S.A. with 33.33% stake

^{/11} Other 3 major shareholders were M. Hesselholt Holding ApS C.O.W., Juhl Holding ApS and Wolgast Holding ApS with 10.00%, 19.00% and 19.00% stake, respectively



Subsidiaries	Type of Business	Registered Capital	Interest (%)
201. Charoen Pokphand (China) Investment Ltd.	Investment	USD 56,000,000	76.24
202. ECI Machinery Co., Ltd.	Investment	USD 50,000	50.43
203. CP Foods Capital Ltd.	Investment	USD 100,000,000	100.00

Bermuda

Subsidiaries	Type of Business	Registered Capital	Interest (%)
204. Charoen Pokphand (Taiwan) Investment Ltd.	Investment	USD 12,000	100.00
205. C.P. Pokphand Co., Ltd. ^{/12}	Investment in agro-industrial and food business	USD 600,000,000	76.24
206. C.T. Progressive (H.K.) Ltd.	Investment	HKD 1,000,000	76.24
207. Chia Tai Enterprises International Ltd. ^{/12}	Investment	USD 80,000,000	50.43

Cayman Islands

Subsidiaries	Type of Business	Registered Capital	Interest (%)
208. CP China Investment Ltd.	Investment	USD 129,750,000	76.24
209. Plenty Type Ltd.	Investment	USD 13,361,488.37	39.00

Hong Kong

Subsidiaries	Type of Business	Registered Capital	Interest (%)
210. CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, fresh meat, processed meat, seafood, milk product and RTE products, frozen fruit, and investment	HKD 600,000,000	99.98
211. C.P. Standard Resources Ltd.	Investment	N/A	76.24
212. CP Food Investment Ltd.	Investment	N/A	76.24
213. Hannick Ltd.	Property investment	N/A	76.24
214. C.P. Enterprises Ltd.	Investment	N/A	50.43
215. Chia Tai Huazhong Biochemistry Ltd.	Investment	N/A	50.43
216. Chia Tai Pucheng Biochemistry Ltd.	Investment	N/A	50.43
217. Golden Industrial Investment Ltd.	Investment	N/A	50.43
218. Chia Tai Lianyungang Co., Ltd.	Investment	HKD 1,000,000	39.00
219. CP Aqua Co., Ltd.	Investment in aquaculture business	N/A	76.24

Norway

Subsidiaries	Type of Business	Registered Capital	Interest (%)
220. RBPI AS ^{/13} (Formerly Russia Baltic Pork Invest AS)	Investment	NOK 640,063,200	75.82

Japan

Subsidiaries	Type of Business	Registered Capital	Interest (%)
221. CPF Japan Co., Ltd. Tel. 813-5401-2231	Importer and distributor of processed meat and ready meals	JPY 200,000,000	99.99

France

Subsidiaries	Type of Business	Registered Capital	Interest (%)
222. Wesbridge Foods (France) Sarl	Distribution of meat products	EUR 100	99.97

Singapore

Subsidiaries	Type of Business	Registered Capital	Interest (%)
223. CP Foods Singapore Pte. Ltd.	Importer and distributor of processed meat and ready meals	SGD 1,500,000	99.98
224. AHM Lifestyles Pte. Ltd.	Restaurant business	USD 8,000	62.43

^{/12} Another major shareholder was Itochu Corporation with 25.00% stake^{/13} Another major shareholder was Bonus Baltic Invest A/S with 13.15% stake

**South Korea**

Subsidiaries	Type of Business	Registered Capital	Interest (%)
225.Consumer Package Commerce Co., Ltd.	Importer and distributor of processed meat and ready meals	KRW 540,000,000	99.98

Australia

Subsidiaries	Type of Business	Registered Capital	Interest (%)
226.CPF Australia Pty. Ltd.	Importer/exporter and distributor of processed food, including RTE products	AUD 200,000	99.98

Sweden

Subsidiaries	Type of Business	Registered Capital	Interest (%)
227.Kalino Food AB ¹⁴	Importer/exporter and distributor of fresh, chilled and frozen meat products	SEK 1,000,000	31.19

Associates, Joint Ventures and Other Investments

As of December 31, 2023, CPF had associates, joint ventures and other investments as follows:

Company	Type of Business	Registered Capital	Interest (%)
1. Andhra Pradesh Brood Stock Multiplication Centre Private Limited Tel. 91-98-494-46149	Farming and breeding	INR 300,000,000	74.99
2. CP-Meiji Co., Ltd. Bangkok, Thailand Tel. 66-2-664-5309	Manufacturing and distribution of milk products and healthy dairy products	THB 500,000,000	59.99
3. Hylife Group Holdings Ltd. Canada	Investment	CAD 326,572,884	50.10
4. Westbridge Foods Holding B.V. Netherlands Tel. 31-715-815-016	Importer and distributor of processed foods	EUR 18,000	49.99
5. Ross Breeders Siam Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	THB 70,000,000	49.99
6. Arbor Acres Thailand Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	THB 4,000,000	49.98
7. SuperDrob S.A. Poland Tel. 48-22-275-9200	Agro-industrial and food	PLN 21,772,550	49.45
8. Camanor Produtos Marinhos Ltda. Brazil Tel. 55-84-4008-0448	Shrimp farming and primary processing businesses	BR 11,666,667	40.00
9. A.P.P. Enterprise, Inc. Tel. 63-45-963-6510	Property lease-out	PHP 5,000	39.60
10. Norfolk Property Development (Private) Limited Srilanka	Property development	LKR 1,000	39.20
11. Chia Tai Conti (Cixi) Investment Management Ltd. China	Provision of consulting service on economic and trade	RMB 3,000,000	38.12
12. Conti Chia Tai International Ltd. Hong Kong Tel. 852-282-36171	Investment	HKD 3,122,000	38.12

¹⁴ Other 2 major shareholders were LGI Denmark A/S and Mr. Thomas Rörksson with 20.00% stake each



Company	Type of Business	Registered Capital	Interest (%)
13. Cixi Zhudu Investment Management Center (Ltd. Partnership) China	Investment	RMB 9,995,000	34.69
14. CP All Plc. Bangkok, Thailand Tel. 66-2-677-9000	Convenience store business in Thailand, under "7-Eleven" trademark and franchises to other retailers in the territory of Thailand	THB 8,986,296,048	34.45
15. Well Well Invest S.A. Poland	Investment in plant-based business	PLN 5,079,673	33.33
16. BaltFood LLC Russia	Slaughter house	RMB 200,000	30.33
17. Siam Rivea Co., Ltd. Bangkok, Thailand	Restaurant	THB 290,000,000	29.99
18. Chai Tai Investment Co., Ltd. China	Investment and trading	RMB 4,158,722,926	26.69
19. Rosleko sp. Z o.o. Poland	Manufacturing and distribution plant-based dairy products	PLN 10,000	26.67
20. ECI Metro Investment Co., Ltd. British Virgin Islands Tel. 852-252-01601	Investment and trade of machinery and spare parts	USD 12,000,000	25.21
21. ECI Metro Enterprises (Hong Kong) Co., Ltd. Hong Kong	Investment	N/A	25.21
22. Nava 84 Co., Ltd. Bangkok, Thailand	Investment in economic crop plantation companies in Thailand	THB 1,500,000,000	25.00
23. Sao Ta Foods Joint Stock Company Vietnam	Production and sale of seafood products	VND 653,888,890,000	20.71
24. Feng Sheng Livestock Co., Ltd. Republic of China (Taiwan)	Production and sale of poultry	NTD 600,000,000	19.51
25. Cloud Food System Joint Stock Company Vietnam	Food delivery service via application	VND 11,086,470,000	19.40
26. All Now Management Co., Ltd. Bangkok, Thailand	Warehouse management and logistics business	THB 2,100,000,000	19.00
27. C.P. Venture Capital Co., Ltd. Bangkok, Thailand	Investment	THB 3,600,000,000	19.00
28. CP Seeding Social Impact Co., Ltd. Bangkok, Thailand	Social enterprise	THB 30,000,000	19.00
29. Zhan Jiang Deni Carburetor Co., Ltd. China Tel. 86-759-315-0934	Motorcycle carburetor and auto parts production and distribution	USD 21,250,000	14.12
30. Kinghill Limited Cayman Islands	Investment in company that manage shopping center, "Super Brand Mall" in China	USD 680,000,000	13.96
31. Kamereo International Ple, Ltd. Singapore	Electronic market business	SGD 51,200	10.40
32. Chia Tai (Jilin) Co., Ltd. Hong Kong	Investment in livestock feedmill and livestock farming business in China	USD 2,500,000	10.00
33. CPPC Plc. Bangkok, Thailand Tel. 66-2-766-8090	Production and sale of plastic	THB 1,950,000,000	6.58
34. C.P. Land Plc. Bangkok, Thailand Tel. 66-2-766-7000	Property development	THB 3,630,310,000	6.49
35. True Corporation Plc. Bangkok, Thailand Tel. 66-2-643-1111	Information Technology & Communication	THB 138,208,403,204	2.21



1.3.2 Person who may have conflict of interest holds more than 10% in subsidiaries or associates

There were two associates of CPF which Charoen Pokphand Group Co., Ltd. ("CPG") and its related person hold more than 10% as of December 31, 2023 namely (1) Nava 84 Co., Ltd. ("Nava 84") which CPF held 25% since establishment. Then other existing shareholders of Nava 84 sold 75% stake to CPG. And (2) Chia Tai Investment Co., Ltd. ("CTI"), the former wholly-owned subsidiary of C.P. Pokphand Co., Ltd. ("CPP"), issued new shares representing 65% of enlarged share capital to the subsidiary of CPG in December 1, 2020 as the consideration for the equity capital in 43 entities, established and operating the swine business in China. Therefore, CPP holding stake in CTI decrease to 35% after the capital increase.

Despite joint investment with the persons who may have conflict of interest, the board of directors of the Company has considered and believes that the shareholding structure for this investment is appropriate and is in accordance with its policies and investment strategies. The Company believes that such investment is for the best interest of the Company and will also further enhance the Company's business operation.

The Company, as a shareholder with right according to the abovementioned shareholding stake and as a listed company on the SET, adheres to the equitable treatment of shareholders with equal and fair treatment to achieve highest benefit of the Company and all shareholders. The Company has been complying with the compliance and internal control measures, including measures in relation to the entering into transactions which may result in conflict of interest and equitable treatment of shareholders. For example, any transaction which may cause any conflict of interest and is required to be considered and approved by the board of directors of the Company must also be considered and approved by the audit committee of the Company according to relevant laws and the SET regulations. This is to ensure that the transaction is reasonable upon arm's length basis and beneficial to the Company. In addition, the regulations enforcing all listed companies also promote the transparent and fairness of the existing and upcoming connected transactions. Any person having interest, either as a director or shareholder, in any matters is not allowed to vote on such matter.

1.3.3 Relationship with the business group of major shareholder

Charoen Pokphand Group Co., Ltd. ("CPG"), major shareholder of CPF, is major shareholder of a number of companies with business in various countries. The principal businesses in Thailand includes (1) Agro-industrial and integrated food businesses (2) Retail business and (3) Telecommunication business. In addition, CPG also invests in other businesses such as automotive and industrial business and property development.

CPG has sold some feed additives for the production of animal feeds to CPF, the major agro-industrial and integrated food company, as well as granted the Company the right to use trademarks which were supporting ordinary course of business transaction in accordance with the principle of the process of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E. (No.4) 2008 approved by the Board in 2008.

In addition, in December 2023, a subsidiary of CPP divested 4 integrated broiler companies in China to a subsidiary of CPG. Such four companies have not operated a fully integrated chicken business in the same area as CPP's other subsidiaries after the investment disposition. CPP's subsidiaries and CPG's four subsidiaries each conduct business exclusively in their respective territories. Management is separated and independent from each other. and there are no transactions between each other.

**1.3.4 Shareholders**

Top ten major shareholders, number of shares and holding percentage on March 13, 2024 the latest record date.

Names	No. of Shares	% Shareholding (before deduction of treasury stock ⁽¹⁾)
1. CPG Group ⁽²⁾ comprises:	4,211,127,539	50.05%
1.1 CPG ⁽³⁾	2,154,464,925	25.61%
1.2 Charoen Pokphand Holding Co., Ltd. ⁽⁴⁾	743,660,460	8.84%
1.3 Jumbo Kingdom Ventures Ltd. ⁽⁵⁾	649,060,975	7.71%
1.4 Orient Success International Ltd. ⁽⁵⁾	120,814,159	1.44%
1.5 Worth Access Trading Ltd. ⁽⁵⁾	117,342,300	1.39%
1.6 CP Foods Capital Ltd. ⁽⁶⁾	120,415,720	1.43%
1.7 Bangkok Produce Merchandising Plc. ⁽⁷⁾	228,569,000	2.72%
1.8 Plenty Type Ltd. ⁽⁶⁾	76,800,000	0.91%
2. Thai NVDR Co., Ltd. ⁽⁸⁾	599,457,505	7.12%
3. Social Security Office ⁽⁹⁾	273,537,700	3.25%
3.1 Social Security Office	240,450,900	2.86%
3.2 Social Security Office by UOB Asset Management (Thailand) Co., Ltd.	14,760,200	0.17%
3.3 Social Security Office by UOB Asset Management (Thailand) Co., Ltd. (2)	12,776,600	0.15%
3.4 Social Security Office by MFC Management Co., Ltd.	5,550,000	0.07%
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED ⁽¹⁰⁾	178,079,897	2.12%
5. STATE STREET EUROPE LIMITED ⁽¹⁰⁾	158,047,904	1.88%
6. UBS AG HONG KONG BRANCH ⁽¹⁰⁾	126,555,600	1.50%
7. Mr. Prinya Tieworn	116,000,000	1.38%
8. Vayupak Fund ⁽¹¹⁾	74,450,600	0.88%
8.1 Vayupak Fund 1 by MFC Asset Management Plc.	37,225,300	0.44%
8.2 Vayupak Fund 1 by Krung Thai Asset Management Plc.	37,225,300	0.44%
9. CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. ⁽¹²⁾	72,962,900	0.87%
10. CITIBANK NOMINEES SINGAPORE PTE LTD-A/C GIC C ⁽¹³⁾	45,619,300	0.54%

CPG Group does not have any shareholding in no. 2-6 and 8-10

Note

⁽¹⁾ 170,507,800 treasury stock or 2.03% of total issued and paid-up shares of CPF

⁽²⁾ CPG Group is a reporting group to be in compliance with Section 246 and Section 247 of the Securities and Exchange Act of 2535 (as amended)

⁽³⁾ Engaging in investment business as well as importing and distribution of chemical products and providing technical services. Top ten major shareholders of Charoen Pokphand Group Co., Ltd. ("CPG") and % shareholding of such persons are as follows: Charoen Pokphand SJ Holdings Co., Ltd. 12.96%, Mrs. Somurai Jaruphrit 8.42%, Mr. Dhanin Chearavanont 6.48%, C.P. Holding (Thailand) Co., Ltd. 4.55%, Mr. Phongthep Chiaravanont 4.26%, Mr. Manas Chiaravanond 4.22%, Mrs. Somsri Lumsam 4.21%, Mrs. Nuchanart Chiaravanont, Miss Nalinee Chiaravanont, Mr. Nakul Chiaravanont, Mr. Nopadol Chiaravanont 3.00% each.

⁽⁴⁾ CPG's direct subsidiary, engaging in investment business

⁽⁵⁾ CPG's indirect subsidiary, engaging in investment business

⁽⁶⁾ CPF's indirect subsidiary, engaging in investment business

⁽⁷⁾ CPF's direct subsidiary, engaging in animal feed raw material distribution

⁽⁸⁾ A Thai company, contact information: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand, Thai NVDR Co., Ltd. issues Non-Voting Depository Receipt (NVDR) and offers to investors. NVDR investors are entitled to receive all financial benefits as if they invest in ordinary shares. However, NVDRs generally are not allowed to participate and vote in shareholders' meetings except only in the case where the company wishes to delist itself from the SET.

⁽⁹⁾ A Thai government department, contact information: Siam Commercial Bank Plc., Markets Operations Division, 1060 Building 2, 3rd Floor, Phetburi Road, Makkasan, Ratchatawee, Bangkok 10400, Thailand

⁽¹⁰⁾ A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Zone B, Sathorn Nakorn Tower, 14th Floor, North Sathorn Road, Silom, Bangkok 10500, Thailand

⁽¹¹⁾ A Thai fund

⁽¹²⁾ A foreign company, contact information: 17fl., No.87, Sung Chiang Road, Thongshan Dist, Taipei City, Taiwan, R.O.C., 104

⁽¹³⁾ A foreign company, contact information: 399 Interchange 21 Building, 12th Floor, Sukhumvit Road, Wattana, Bangkok 10110, Thailand

Shareholders agreement which affect securities issuance or operation of the Company and signed by the Company

-None-



1.4 Registered and Paid-up Capital as of December 31, 2023

CPF has one class of shares which is ordinary share entered the holder's name and shall be of equal par value, THB 1 per share.

Registered Capital : THB 9,093,856,518 comprising of 9,093,856,518 shares

Paid-up Capital : THB 8,413,568,585 comprising of 8,413,568,585 shares

1.5 Other Securities

Debentures

As of December 31, 2023, there were 27 CPF outstanding debentures, totaling principal of THB 134,896.80 million as prescribed below. All debentures have been rated "A-" with "Stable" outlook by TRIS Rating Co., Ltd. on September 14, 2023.

Debentures	Amount (THB mn.)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum
1. CPF Debenture #1/2011 Series 3*	3,055.0	Aug. 19, 2011	Aug. 19, 2041	30	5.42%
2. CPF Debenture #2/2011*	3,580.0	Dec. 21, 2011	Dec. 21, 2041	30	5.42%
3. CPF Debenture #2/2012 Series 3	4,670.0	Aug. 3, 2012	Aug. 3, 2032	20	5.30%
4. CPF Debenture #2/2015 Series 2	3,000.0	July 29, 2015	July 29, 2025	10	4.28%
5. CPF Debenture #2/2015 Series 3	2,000.0	July 29, 2015	July 29, 2027	12	4.51%
6. CPF Debenture #1/2016 Series 2	3,500.0	Apr. 12, 2016	Apr. 12, 2024	8	3.11%
7. CPF Debenture #1/2016 Series 3	2,500.0	Apr. 12, 2016	Apr. 12, 2031	15	3.73%
8. CPF Debenture #1/2018 Series 1	5,460.0	Jan. 24, 2018	Jan. 24, 2025	7	3.05%
9. CPF Debenture #1/2018 Series 2	6,540.0	Jan. 24, 2018	Jan. 24, 2028	10	3.60%
10. CPF Debenture #2/2018 Series 3	2,200.0	Nov. 15, 2018	Nov. 15, 2024	6	3.79%
11. CPF Debenture #2/2018 Series 4	3,200.0	Nov. 15, 2018	Nov. 15, 2028	10	4.41%
12. CPF Debenture #2/2018 Series 5	5,300.0	Nov. 15, 2018	Nov. 15, 2030	12	4.66%
13. CPF Debenture #1/2020 Series 1	8,407.6	Jun. 5, 2020	Jun. 5, 2024	4	3.00%
14. CPF Debenture #1/2020 Series 2	7,164.4	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
15. CPF Debenture #1/2020 Series 3	2,725.0	Jun. 5, 2020	Jun. 5, 2024	4	3.00%
16. CPF Debenture #1/2020 Series 4	2,643.0	Jun. 5, 2020	Jun. 5, 2027	7	3.40%
17. CPF Debenture #1/2020 Series 5	940.0	Jun. 5, 2020	Jun. 5, 2032	12	3.75%
18. CPF Debenture #1/2020 Series 6	3,120.0	Jun. 5, 2020	Jun. 5, 2035	15	4.00%
19. CPF Debenture #1/2021 Series 1	13,064.5	Jan. 22, 2021	Jan. 22, 2026	5	2.99%
20. CPF Debenture #1/2021 Series 2	4,028.7	Jan. 22, 2021	Jan. 22, 2028	7	3.15%
21. CPF Debenture #1/2021 Series 3	5,034.4	Jan. 22, 2021	Jan. 22, 2031	10	3.60%
22. CPF Debenture #1/2021 Series 4	5,372.4	Jan. 22, 2021	Jan. 22, 2033	12	3.80%
23. CPF Debenture #1/2022**	15,000.0	Mar. 2, 2022	N/A	N/A	Year 1-5 = 4.50% and after the 5th 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
24. CPF Debenture #1/2022 Series 1	4,989.10	Aug. 10, 2022	Aug. 10, 2026	4	3.15%
25. CPF Debenture #1/2022 Series 2	3,079.70	Aug. 10, 2022	Aug. 10, 2028	6	3.60%
26. CPF Debenture #1/2022 Series 3	3,806.00	Aug. 10, 2022	Aug. 10, 2030	8	4.00%
27. CPF Debenture #1/2023**	11,932.0	Dec. 4, 2023	N/A	N/A	Year 1-5 = 5.55% and after the 5th 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

* Debenture with holders' early redemption right at the end of year 15

** Subordinated perpetual debenture which is similar to equity with one-time payment upon dissolution of CPF or upon the exercise of CPF's early redemption right

Bills of Exchange

As of December 31, 2023, CPF had outstanding bills of exchange totaling THB 29,810 million.

1.6 Dividend Policy

CPF has a policy to pay dividends to shareholders twice a year. The total dividend paid each year will not be less than 30% of net income (which is attributable to equity holders of CPF). The dividend payments may be subject to change, depending on such variables as the Company's operations results, its financial position, future projects and prevailing economic conditions at the time.

Additionally, CPF has a duty to comply with the terms and conditions of its debentures, which prohibit CPF from paying cash dividends to shareholders in the event of CPF being unable to service interest payments on, or any other amounts owing to, the debenture holders.

For subsidiaries that are listed in foreign stock exchanges, the dividend payment will be depend upon the Board of Directors' meeting or Shareholders' meeting resolution (as the case may be). For subsidiaries that are non-listed companies, the dividend payment will depend upon such issues as their future investment plans, their financial structure and liquidity. In the fiscal year ended December 31, 2023, CPF's dividend income from subsidiaries totaled THB 8,234 million.

2. Risk Management

2.1 Policies and risk management strategies

In the current global environment, characterized by brittle, rapid and unpredictable changes prevail. Therefore, effective risk management serves to support business resilience, sustainable growth, and the creation of appropriate opportunities and returns.

Risk management culture

The Company communicates roles and responsibilities, aiming to instill awareness among employees to act responsibly in considering potential risks and opportunities, through the following actions:

- Environmental aspects in risk management: Communicating risk management policy, integrating principles into work processes, establishing risk management as an organizational strategy, setting risk appetite as a basis for developing risk assessment criteria, and defining the roles and responsibilities of personnel involved in risk management.
- In terms of awareness: Develop a communication video emphasizing the dedication and significance of managing risks among employees. Create posters illustrating potential risk events to inform workers about preventive measures and risk management. Implement training programs on risk management, both through E-Learning and on-site training. Additionally, conduct a review to ensure a comprehensive understanding of risk management before risk assessments are conducted.
- In terms of practical implementation: Conduct regular risk management workshops between business unit executives and the Risk Management Office. Develop management measures and establish Key Risk Indicators (KRIs), while monitoring progress in operations. Additionally, organize risk assessments in various areas, such as deciding on large-scale investment projects, responding to changes in weather conditions, handling floods, droughts, human rights issues, and ensuring workplace safety. Promote the integration of risk discussions into monthly business unit meetings and support the sharing of risk management experiences among business units.



Risk management policy and management structure

The Company is developing a risk management system aligned with international standards, specifically COSO (The Committee of Sponsoring Organizations of the Treadway Commission). This initiative is undertaken comprehensively throughout the organization and encompasses all types of risks. The objective is to ensure that the Company's risk management is effective and efficient, capable of managing risks to an acceptable level, and supports sustainable business



The company mandates quarterly risk assessments or when there are significant changes in the business environment. The Risk Management Sub-Committee will report the assessment results to the Board of Directors, followed by reporting to the Audit and Risk Management Committee as well as inform the assessment outcomes to the Management Committee to follow-up on specified measures.



operations. The implementation involves the following:

- The Audit and Risk Management Committee has been tasked by the Board of Directors to examine the adequacy, effectiveness, and adherence to policies and risk management strategies, including an acceptable level of risk.
- The Executive Committee is responsible for overseeing and monitoring the status of key risks, risk management, and promoting a risk management culture.
- The Risk Management Sub-committee is independently appointed, separate from business units, with the Chief Financial Officer serving as its chairperson. This committee plays a crucial role in driving the Company's risk management, tasked with examining key risks, monitoring the implementation of risk management measures and Key Risk Indicators, in collaborating with all relevant units as the risk owner. The Risk Management Sub-committee shall hold quarterly meetings.
- The Risk Management Office is responsible for promoting, disseminating knowledge, and providing guidance to various units regarding risk management, and monitor the progress of management activities.

- Business unit executives have direct responsibility for managing risks within the areas of responsibility and also report the results of risk management to the Risk Management Sub-committee.
- The Risk Champion serves as the intermediary in coordinating between business units and the Risk Management Office.
- The employees in the organization are required to collaborate in risk management as an integral part of their job responsibilities, conduct themselves in accordance with the risk management culture and promptly report identified risks through the specified channels.
- The Internal Audit Office is responsible for evaluating operational processes, providing recommendations to enhance the risk management system, and incorporating the risk assessment results into the annual audit plan.

Also, the Company mandates quarterly risk assessments or when there are significant changes in the business environment. The Risk Management Sub-committee will report the assessment results to the Board of Directors, followed by reporting to the Audit and Risk Management Committee. Additionally, there is communication of the assessment outcomes to the Management Committee for awareness and follow-up on specified measures.

The structure and operations of the Risk Management Sub-committee

The Risk Management Sub-committee of the Company consists of the following members:

1.	Mr. Paisan	Chirakitcharem	Chair of the Sub-committee
2.	Mr. Siripong	Aroonratana	Member
3.	Dr. Sujint	Thammasart, D.V.M.	Member
4.	Dr. Sommai	Tachasirinugune	Member
5.	Miss Wipawan	Pramoonkwamdee	Member and Secretary

In the year 2023, the Risk Management Sub-committee held regular meetings with the objective of reviewing the significant risks facing the Company. Additionally, the committee provided recommendations for risk management, evaluated the results of Key Risk Indicators, highlighted critical risk issues that may impact business units for prompt management attention, and reviewed plans to enhance risk management awareness along with the development of initiatives in the field of risk management.

Risk management system and tools

The Company's risk management process is consolidated in the "Risk Management Handbook," outlining the operational steps and tools utilized as follows:

1. Establish the business context involves analyzing the global, regional, and industry conditions, as well as the specific circumstances of the Company. This is done to gain insights into the current situation, including trends and anticipate potential future trends.
2. Identify the risks and opportunities that could affect the Company's objectives, encompassing both existing risks and emerging risks that may arise in the future. This operation covers internal and external factors, utilizing various tools or techniques such as examining issues that may arise internally, considering reliable external data sources, studying risk assessment surveys from different organizations, and analyzing risks from scenarios. Additionally, we clarify the description of risk to assist management in understanding the scope of risks.
3. Assess, prioritize risks, establish the key risk management measures and Key Risk Indicators.
 - a. Define risk appetite in various areas as follows:
 - i. Investment projects shall yield returns higher than the financial costs.
 - ii. Conduct business ethically towards all stakeholders, comply with laws, uphold moral and ethical standards, and adhere to the organizational culture. This includes addressing safety issues, considering the environment, and taking responsibility for societal impact.
 - iii. Produce quality products that meet the standardized requirements.
 - iv. Maintain the organization's image and reputation.
 - v. Disclose accurate and reliable information.

The above-mentioned acceptable risk levels are utilized as fundamental data in establishing risk assessment criteria.

- b. Assessing risks involve gathering data through risk surveys and conducting practical workshops, utilizing predefined criteria for assessment in terms of both impact and likelihood of the risk events. Subsequently, the results of the risk assessment are presented on a Risk Heat Map.
 - c. Prioritizing risks involves considering the relationship between the impact and the likelihood of the occurrence of each risk event. Risks exceeding the acceptable level are considered significant, requiring the identification of key causes for these risks.
 - d. Establish additional risk management measures and Key Risk Indicators for significant risks, considering their effectiveness and efficiency before making any decisions on implementation.
4. Reporting and monitoring the progress of the risk management measures and the status of Key Risk Indicators as scheduled.



Diagram illustrating the risk management process

2.2 Risk factors of the Company's business operations

The Company analyzes risks that may impact its operations and formulates measures or risk management plans. These actions are aimed at alleviating the potential consequences and supporting the achievement of business objectives and the expectations of stakeholders.

The risks mentioned below are significant, however, there might be other risk factors that the Company is currently unaware of, or risks that are considered insignificant. Therefore, investors should consider additional risk factors when investing in the Company's securities.

2.2.1 Emerging risks

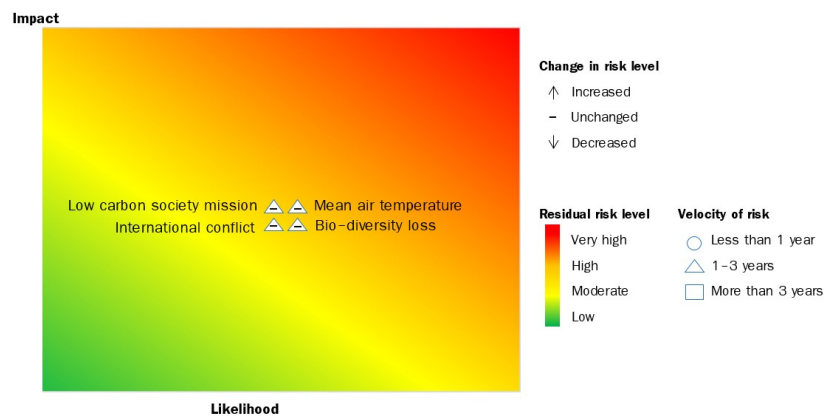


Diagram of emerging risks

(1) Mean air temperature

The period of global warming has concluded, marking the commencement of the global boiling era. This serves as a warning sign as the Earth reaches a critical point with escalating temperatures. Over the past year, the world has witnessed unprecedented high temperatures, posing a risk that we may struggle to restrain the temperature rise within the 1.5 degrees Celsius limit. Presently, the Earth's temperature has increased by 1.1

degrees Celsius in comparison to the pre-industrial era. Nations have encountered challenges in meeting emission reduction targets, propelling a trajectory towards a temperature rise of 2.8 degrees Celsius by the year 2100. This scenario is amplifying the prominence of El Niño and La Niña phenomena. Simultaneously, the advent of El Niño is expected to expedite global warming even further.

In 2023, there was a significant El Niño event, and it is anticipated to last until at least April 2024. This has resulted in drought conditions in Australia and Asia, while heavy rainfall and flooding have affected parts of North America. These weather patterns have impacted agricultural crop cultivation, which serves as a primary source of raw materials for animal feed production. The livestock sector has also felt the consequences of rising temperatures, leading to the potential for increased disease outbreaks in animals. Additionally, measures such as increased ventilation in livestock barns have been implemented, impacting energy costs, growth rates, and mortality rates of animals. Beyond the direct impacts faced by the Company, the government may introduce legislation or policies to collectively encourage businesses to mitigate the rising global temperatures. This could potentially take the form of carbon emission taxes or carbon offset initiatives, resulting in increased costs for the Company.

Risk management

The Company is mindful of the ongoing increase in global temperatures and is committed to conducting its business responsibly throughout the supply chain by actively mitigating and adapting to changing climate conditions. This involves efforts to alleviate and adapt to climate change by

- Promoting efficient land use among farmers and refraining from purchasing products from deforested or environmentally compromised areas.
- Expanding the scope of actions to reduce greenhouse gas emissions throughout the supply chain and establishing emission reduction targets based on scientific principles (Science-Based Targets).
- Enhancing the accuracy of the weather forecasting system and analyzing the impact of natural disasters on agricultural products. Sourcing raw materials from new and diverse production sources worldwide, including researching and developing alternative raw materials.
- Reviewing the criteria for selecting the location of farms and facilities due to changes in the country's geographical and climatic conditions. Considering historical data and forecasting future events, such as natural water resources in the various disaster areas.
- Developing products and production processes to minimize losses throughout the entire supply chain, from animal feed production to consumer food production. Also, aiming to reduce environmental impact by minimizing the release of waste into the environment.
- Increasing the proportion of clean or renewable energy usage, including promoting efficient energy utilization.
- Evaluating the impact of climate change following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Prepare for adaptation, monitor, and continuously track the situation.
- Reviewing and rehearsing emergency and business continuity plans.
- Procuring insurance to indemnify against damages and economic losses.

(2) Risk from low-carbon society mission

The gradual rise in global temperatures along with an increasing frequency and severity of natural disasters, has significantly impacted various aspects of life for humans, animals, and plants. This has prompted global attention and interest in the low-carbon society movement. Changing climate patterns and more frequent natural disasters have led to a shift in people's behavior, focusing on purchasing products with low-carbon labels. The choosing of plant-based proteins over animal-based proteins, as it is believed that plant protein production has lower greenhouse gas emissions compared to animal protein production. Countries worldwide have set Net-Zero targets, encouraging companies within their borders to collectively take action alongside the general population. Additionally, certain countries, like the United States and the European Union, have implemented import tax regulations, such as the Carbon Border Adjustment Mechanism, aimed at adjusting carbon prices before crossing

borders. The Carbon Border Adjustment Mechanism (CBAM) and similar measures are implemented to prevent the importation of goods with high greenhouse gas emissions. Therefore, it is important to note that such mechanisms are considered a form of trade barrier.

The establishment of regulations or global greenhouse gas emission targets is an aspiration aimed at alleviating or mitigating the impacts of climate change. While it is a goal that all sectors should collectively pursue, it may lead to increased operational and data collection costs. The cost of goods throughout the supply chain may rise, impacting the competitiveness of companies.

Risk management

The Company has set a Net-Zero target by the year 2050, and it aims to achieve this goal by following the principles of a circular economy as follows:

- Monitoring the legal enforcement trends in countries related to its business and studies changes in consumer behavior. Analyzing the impact, developing strategies, and implementing management guidelines accordingly.
- Procuring responsibly-sourced raw materials throughout the supply chain.
- Creating low-carbon products or green revenue products, such as products labeled with a carbon footprint, which are designed to minimize environmental impact.
- Producing and distributing plant-based proteins, as well as developing products that address both taste and affordability aspects.
- Enhancing the efficiency of the production process and setting clear targets, such as using clean and renewable energy, selecting or modifying machinery for energy savings, waste reduction, and minimizing food loss and food waste.
- Improving transportation efficiency, such as selecting routes for maximum fuel efficiency and minimizing empty spaces within vehicles.
- Expanding green spaces within the business premises, including initiating projects to conserve, protect, and restore watershed forests and mangroves.
- Communicating the commitment to reduce greenhouse gas emissions to farmers and partners in the supply chain, aiming to establish sustainable food production standards uniformly.

(3) International conflict

The issue of geopolitics has been longstanding and complex, with various cases that resist concise summarization. Currently, there is an escalation of intensity, particularly evident in the conflict between Israel and Hamas, drawing global attention due to potential impacts. The Russia-Ukraine war is another conflict that affects the global food supply chain, involving both food production raw materials and energy resources. Such conflicts have repercussions on costs and sales, as the Company source raw materials globally, produce goods in different countries, and distribute products worldwide. However, they may also present opportunities for the Company, as some countries may restrict exports, creating favorable conditions for certain businesses.

Risk management

The Company manages the impacts and business opportunities arising from the situation of international conflicts by

- Monitoring the situation, assessing potential impacts and opportunities within the supply chain, preparing for contingencies, and adapt promptly.
- Estimating agricultural crop production, including the required raw materials, and proactively procure them at reasonable prices.
- Developing formulations for production. Exploring substitutes and alternatives for raw materials by using domestically sourced raw materials as the primary components.
- Exploring new sources for raw materials, including expanding the business operations to include corn cultivation.

(4) Bio-diversity loss and sustainability in the supply chain

The majority of the food we consume comes from plants and animals, which, in turn, grow in a suitable environmental system. However, this system is often imbalanced and continuously disrupted due to human failures in preserving bio-diversity. Recognizing this, global efforts are being made to address the issue through societal and community awareness, investor consideration, the development of regulatory systems, and government legislation. An example is the European Union, which is in the process of formulating legislation, such as the EU Forestration Free Product 2022, with the goal of ensuring that products distributed in the European Union are sourced from supply chains free from forest invasion. This includes products related to the Company's production chain, such as soybeans and palm oil. Consequently, the Company must exercise caution and align their raw material sourcing practices with such regulations when declared or enforced. Regardless, the Company with sustainable business goals have already taken proactive measures on various fronts. This presents opportunities for sustainable business operations, even if there are future announcements or regulations. However, the reality is that increasing regulations may impact costs, strategy formulation, and overall business management.

Risk management

The Company declares its commitment to bio-diversity conservation and opposes deforestation. Consequently, the following measures are being implemented:

- Collaborating with the government and industry in developing standards and tracking systems to promote sustainability in raw material sourcing. This includes sustainable fisheries practices, effective waste management in oceans, and the protection of marine ecosystems.
- In term of cooperation with farmers and business partners:
 - Communicate policies and principles in various areas to provide knowledge and support for the continuous operations of partners. Examples include sustainable sourcing policy and supplier guiding principle, supply chain ESG management approach, and fish meal sourcing restrictions.
 - Evaluate and review environmental, social, and governance risks associated with business partners, while overseeing and supporting business partners in conducting operations responsibly.
 - Establish a traceability system for critical raw materials, including verification of the source and confirmation of non-support for cultivation on deforested land in the cultivation of crops such as corn, soybeans, cassava, palm oil, and fish meal.
 - Develop agricultural capabilities to enhance efficiency and reduce costs.
- In term of internal administration:
 - Select a location for establishment that does not disrupt the bio-diversity of the area and maintains the overall environmental balance.
 - Establish goals and implement actions aligned with policies on food loss and food waste, promote sustainable packaging, and set objectives throughout the production chain. This includes using cost-effective raw materials, reducing waste by incorporating recycling measures, and providing guidance to customers on product storage.
 - Promote and support initiatives aimed at conserving, protecting, and restoring watershed and mangrove forests.

2.2.2 *Environmental, Social, and Governance (ESG) risks*

(1) Quantity and quality of water

The world is entering the phenomenon of El Niño in the year 2023, and it is anticipated that it may persist for an extended period spanning multiple years. This could lead countries in the South East Asia region, including Thailand, to face issues of reduced rainfall and water scarcity. Drought conditions may escalate to the point where water becomes insufficient for certain areas. Industries such as livestock farming and food production depend on water with adequate quality and quantity in various processes. Given that the Company has operations distributed across different regions, the Company evaluates water-related risks using the Aqueduct Water Risk Atlas. This

model is an improved version that refines fundamental data for accuracy, including future projections based on the latest climate models. The assessment reveals that 73% of the Company's operations, where water is a critical production factor, are located in areas with water stress.

Risk management

Efficient water management and reducing dependence on external sources will inevitably enhance the Company's ability to cope with drought conditions by

- Reviewing the site selection criteria for facilities while considering the management of risks related to essential public utilities.
- Establishing water-related goals and indicators, assess performance against these goals, analyze the results, and identify improvement strategies.
- Monitoring the situation, anticipate trends in water usage for each facility, assess the risks related to water quantity and quality, develop risk management measures, and prepare contingency plans for potential business interruptions.
- Developing sustainable water management processes throughout the production chain based on the principles of the 3Rs, which include Reduce, Reuse, and Recycle.
- Enhancing water storage methods and explore innovative approaches, such as underground water banks.
- Engaging in actively listening to the feedback from water users and surrounding communities.
- Aim to conserve and restore watershed areas through various projects at the Company, community, and national levels.

(2) Human rights in the supply chain

"Human rights and labor practices" is a strategic priority crucial to the business operations. The Company regularly assesses the status of human rights within set intervals, conducting reviews of salient human right issues and implementing measures to prevent and mitigate any adverse effects on stakeholders, business operations, and the Company's reputation. This encompasses business activities across the entire value chain, both domestic and international, including Tier-1 suppliers.

Risk management

The Company operates with a commitment to respecting the human rights of all stakeholders by

- Announce and communicate the policies and principles such as human rights policy, corporate social responsibility to sustainability policy, sustainable sourcing policy and supplier guiding principle, safety, health, environment and energy policy, employment and labor management policy, quality policy, and healthier choices principles.
- Evaluate the risks that may lead to violations of human rights for stakeholders, both directly and indirectly. Review the appropriateness of risk management measures and develop surveillance processes.
- Supporting supplier, business partners, and the surrounding community to actively participate in responsibility and manage issues related to human rights throughout the value chain of the Company, and supply chain concerns.
- Provide knowledge to employees and workers regarding human rights, including guiding them on channels for expressing opinions, providing suggestions, making complaints, or seeking information.
- Establish channels for receiving grievances or complaints from communities, customers, and consumers, as well as business partners and contractors. Promptly address and resolve issues raised in the complaints.
- Visit communities to actively participate in receiving feedback and addressing the concerns of the local residents.

(3) Occupational health and safety risks

The Company aims to provide a safe working environment for its personnel, involving risk assessments and the development of measures for monitoring, prevention, and control of potential hazards. However, workplace accidents can still occur due to various factors such as human error, lack of knowledge or understanding, non-compliance, unclear work guidelines, or malfunction of machinery or equipment. These incidents can result in injuries, illnesses, or even fatalities among employees.

Risk management

With a heightened awareness of the impact on the health and safety of employees and contractors, the Company places significant importance on safety operations to safeguard the lives of personnel and the Company's assets. In the year 2023, the Company consistently reduced the frequency and severity of accidents by implementing the following measures:

- Review and develop policies such as safety, health, environmental, and energy policy, policy and procedure enabling employees and contractors to stop other people's, or to refuse to perform tasks when encountering unsafe working conditions.
- Communicate the management's philosophy to establish a safety culture at work, including conveying the importance of safety through posters that highlight risk events, aiming to raise awareness among workers and encourage them to prioritize safety and protect themselves from potential hazards.
- Regularly assess risks, and conduct consistent operational reviews by the executive.
- Implement the Safety Modular project to allow workers to assess risks in their work processes, establish measures for risk control, and develop Kiken-Yoshi-Training (KYT) focusing on enhancing workers' understanding of safety at work, avoiding potential hazards, and minimizing the risks associated with the tasks.
- Consider safety and occupational health risks in the investment project.
- Prepare personnel and equipment readiness for emergency response, including conducting drills and rehearsing emergency plans.
- Establish a system for reporting incidents, conducting root cause analysis, and developing more stringent preventive measures.
- Share information about risk events and corrective measures with other operations to prevent recurrence.
- Develop automated production and machinery control systems, incorporating digital technology and robotics, especially in areas that may impact the health and safety of workers.

(4) Corruption

The Company is actively developing internal processes to be transparent and conduct business ethically, aiming to eliminate issues that could lead to potential lawsuits, and damage to its reputation. With a dedicated commitment to ethical conduct, including the implementation of a robust monitoring system that aligns with regulatory requirements, the Company has been certified as a member of the Thai Private Sector Collective Action against Corruption (CAC). Furthermore, the Company has expanded its initiatives to the business partners within its supply chain, leading to the consecutive receipt of the CAC Change Agent award for the third year.

Risk management

The Company is building an organizational culture that is conscious of being corruption-free and continually reviewing its business operations throughout the supply chain by

- Promulgate along with communicate to both internal and external stakeholders on policy and procedure such as anti-corruption policy, corporate governance and sustainable development policy, rules and requirement for accepting gifts, reimbursement of hospitality expenses, and charitable payment and so on.
- Improve the payment system to ensure tighter control and efficiency.
- Review and enhance knowledge transfer to employees to elevate awareness, foster understanding, and promote proper conduct.

- Study the system of government agencies and review the workflow of the Company.
- Evaluate the risks arising from the inability to comply with the requirements of government agencies and establish management measures.
- Audit and verify work practices through the Internal Audit Office.
- Establish channels for reporting whistleblowing, including having processes for investigation, and penalties by a committee.
- Enclosed is the matter of combating anti-corruption as an integral part of the sustainable sourcing policy for business partners. Communicate, promote, support, and verify that business partners operate within the Company's operational framework.

(5) Legal risks and risk from pertinent regulations

The Company shall comply with the laws, regulations, and rules in effect. However, the government has been swiftly and continuously amending existing laws and enacting new ones in recent years. The need to adjust or change systems and operational processes to align with new laws may result in increased costs for the Company.

Risk management

Compliance with the laws and regulations of the regulatory authorities and destination countries is a responsibility that the Company must undertake. The Company has defined roles and responsibilities distributed according to the respective units, as follows:

- Departments with direct responsibility:
 - Monitor the changes in relevant laws, analyze the situation, assess risks arising from non-compliance, and establish courses of action.
 - Revise and amend policies, procedures, and operational processes to align with relevant laws.
 - Promote and raise awareness within the organization about the consequences of not complying with relevant laws and regulations.
- Departments with obligation of oversight:
 - Monitor changes in laws or newly enacted laws relevant to the Company, evaluate risks, and communicate this information to the units directly responsible for immediate acknowledgment and proper action.
 - Provide consultation to units directly responsible for aligning practices with the law.
 - Establish a data warehouse for regulatory compliance by gathering laws and regulations, Company policies, important contracts, licenses, and various standards that the Company has been certified.
 - Develop a self-assessment questionnaire regarding regulatory compliance to facilitate regular internal reviews. In case any discrepancies with laws and regulations are identified, the responsible units can make improvements before external audits or inspections.
 - Serve as a consultant, providing recommendations, and coordinating with external consulting firms to assist the units directly responsible for planning operations, including offer in-depth insights and feedback.
 - Monitor and audit the operations of various departments within the Company to ensure that the processes align with relevant laws and regulations. Report the results of compliance with standards to the Audit and Risk Management Committee, and relevant executives.
 - Raise awareness of the risks associated with compliance to laws and relevant regulations. This includes communication efforts aimed at fostering knowledge and understanding of the laws and regulations pertinent to our operations, through various formats and channels consistently.
- The Internal Audit Office independently examines the operations of each department to ensure confidence that the business units adhere to the relevant regulations, rules, and laws.

2.2.3 Strategic risks

(1) Change in consumer behavior

Currently, several countries are entering the super-aged society, such as France, Germany, Sweden, Japan, South Korea, Singapore, and more. There is also an anticipation that many other countries, including Thailand, will step into the super-aged society in the future. The changing demographics have implications for consumption patterns that prioritize nutritional needs across different age groups. Furthermore, shifts in the natural environment and global societal changes contribute to a consumer trend that emphasizes environmentally conscious consumption throughout the supply chain. Therefore, research and innovative food development play a crucial role in addressing consumer needs, boosting sales, maintaining market share, and creating business opportunities.

Risk management

The Company prioritizes the promotion of improved health through consumption, addressing the global consumer demand under the philosophy that "every bite taken provides maximum nutritional value" by

- Surveying consumer needs, actively listening to feedback, and adapting products and services to better meet their expectations.
- Implementing practices in food development, comprising:
 - Developing products with nutrients tailored to meet the specific needs of consumers in each age group.
 - Developing food products with reduced amounts of sodium, fats, and sugars.
 - The freshness of food, reflecting both nutritional value and delicious taste.
 - The safety of food.
- Innovating food and sustainable packaging to promote environmental conservation, ensuring sustainability and enhancing competitiveness.
- Presenting a diverse range of products, such as functional foods, medical foods, and novel foods.
- Developing innovations in animal husbandry and production that prioritize social responsibility and environmental friendliness.

(2) Investment and operational performance

The fluctuation in prices of both live animals and components in the pork and poultry product categories has been the main cause impacting our operational performance in the past year. Additionally, reduced consumer purchasing power, increased production costs, high prices of animal feed raw materials, and intensifying competition in the industry have further contributed to these challenges. In light of this business environment, the Company continues to adhere to its investment policy, focusing specifically on the core business or related ventures. The emphasis is on investing in projects that enhance efficiency and expand operations in high-growth markets to maintain liquidity, reduce costs, and generate returns.

Risk management

The Company allocates funds with established investment decision criteria and monitors operational performance through:

- Prior to making investment decisions: The Company evaluates the alignment of investment objectives with corporate policies and financial status. This includes studying investment opportunities in conjunction with potential returns and associated risks, considering legal aspects and the business operating environment. Prioritizing investment options, conducting comprehensive due diligence for international projects, and assessing feasibility while evaluating investment risks are integral parts of the decision-making process.
- Following the investment decision: The Company monitors the progress of investments, analyzes opportunities to expedite or delay projects when significant changes occur in the business environment. Appointing representatives to hold authoritative positions as directors to control and manage operations in line with Company policies is undertaken. The Company tracks operations through predefined indicators, collaboratively adjusts strategies, and seeks management approaches to align performance with objectives.

(3) The global economic situation

The global energy crisis, adjustments in labor costs, and fluctuating agricultural commodity prices during the Russia-Ukraine conflict have been factors contributing to the acceleration of inflation in recent times. Presently, while there has been a slowdown, inflation remains elevated. Many countries have responded by gradually raising interest rates to curb inflationary pressures. This monetary tightening has managed to control inflation to some extent, but it has also impacted the economies of these nations. In 2023, economic growth has been sluggish, coupled with high levels of uncertainty, affecting major economic powers such as the United States, the European Union, China, Japan, and also Thailand where the Company has its main production bases. Additional factors, including unclear economic stimulus policies, delayed private sector investments, and high household debt burdens, contribute to the challenges in Thailand. These conditions collectively impact consumer confidence, decision-making, and demand for goods and services. The Company may face repercussions, including increased costs and potentially reduced sales and profits.

Risk management

The Company employs cost management strategies and competitive capabilities by:

- Monitoring the industry and trade partner conditions to review strategies and adjust investment and sales plans.
- Continuously improving production efficiency and reducing costs, such as minimizing machinery downtime, minimizing raw material losses, streamlining repetitive processes, inspecting production leakage points, and adopting renewable energy sources.
- Developing or modifying products to make them more accessible to consumers, such as reducing the packaging size of the products.
- Improving transportation efficiency, such as implementing direct-to-store delivery, optimizing vehicle loads, and using appropriately sized transport vehicles.
- Establishing and tracking key performance indicators in terms of sales, costs, and profits, while monitoring progress in management practices.
- Identifying potential new markets.

2.2.4 Operational risks

(1) Product quality and safety

Quality and safety in food can only be achieved through the collective commitment and collaboration of everyone in the organization. The Company promotes a culture of quality and food safety among employees at all levels, embedding it as part of the organizational DNA, including related personnel. Additionally, there is a careful selection of high-quality raw materials, and animals are raised in suitable environments to support their growth. The food is produced by a modern technology and adheres to international standards to deliver food that is not only delicious but also nutritionally complete, high-quality, clean, safe, and reasonably priced. Despite these efforts, there may be instances where the received products fall short of the specified standards, possibly due to errors in the production chain. Such situations could impact confidence, reputation, and customer loss.

Risk management

The Company is dedicated to producing and distributing product which follow One Standard for All, driven by a continuous commitment to quality management systems, food safety, and product sustainability by

- Animal husbandry:
 - Providing suitable nutrition for animals based on their species and life stage.
 - Promoting the well-being of animals through environmental management and physical characteristics.
 - Avoiding the use of antibiotics and growth hormones.
 - Utilizing probiotics and prebiotics in animal feed to support the digestive system and enhance the overall strength of the animals.

- Production:
 - Communicating the risk events related to food that may lead to complaints to make employees aware of preventive measures.
 - Expanding the implementation of CPF food standard^{/15} to various business units, including advocating for product standards, such as the space-grade standard in chicken.
 - Developing packaging that is effective in ensuring the safety and protection of food products.
 - Inspecting the production processes by both internal and customer organizations.
 - Inspecting raw materials and products in the food laboratory certified to international standards before delivering the goods.
 - Collecting Key Risk Indicators (KRIs) related to quality and safety and establishing management measures.
 - Conducting drills according to the product recall plan to prepare for potential crises.
- Expanding the implementation of a digital traceability system to enhance confidence in the traceability of product origins.
- Establishing a consumer complaint channel and specifying timeframes for handling incidents based on their severity levels.

(2) Animal diseases and animal-to-humans disease

African Swine Fever (ASF) has become an endemic disease in pigs. Currently, there is no highly effective vaccine for preventing the disease. However, farmers in the industry have developed more robust disease prevention systems. Rapid disease detection is now possible, and both pig farmers and veterinarians have gained more experience. Despite overall improvements in pig farming practices in various countries, in the event of an outbreak, it is still necessary to cull pigs, leading to fluctuations in pig quantities over time. Continuous vigilance remains crucial. Additionally, in some countries, the Company involved in animal husbandry have encountered cases of illicit importation of pork meat, which could potentially lead to new outbreaks.

In the past year, there has been an outbreak of Avian Influenza (AI) with high pathogenicity, in various countries such as the United States, the European Union, Brazil, New Zealand, Japan, Taiwan, and Cambodia. This situation has prompted Thailand to closely monitor and be vigilant about the situation. Additionally, there is a need to plan and prepare for the importation of breeder stock from disease-free sources.

Enterocytozoon hepatopenaei (EHP) remains a prevalent epidemic that inflicts substantial harm upon the shrimp farming industry. Furthermore, there are additional afflictions such as Early Mortality Syndrome (EMS) and White Spot Syndrome Virus (WSSV), all of which exert detrimental impacts on the health and growth of the animals.

The outbreak of diseases in animals inevitably affects the cost and efficiency of livestock farming, the quantity of animals, and the export of products to foreign markets. Consumers may delay consumption, customers may cancel orders, and this could also impact the health of personnel in contact with diseased animals.

Risk management

The Company places significant emphasis on animal welfare and biosecurity systems to ensure the well-being of animals by

- Developing breeds that are robust, suited to the environment, and aligned with genetic principles.
- Refining animal feed formulas to achieve optimal nutritional content and efficient nutrient absorption.
- Determining farm locations and raising animals in accordance with biosecurity principles, risk management, and animal welfare.
- Developing an epidemic alert system to enable personnel to elevate preventive measures promptly.

^{/15} CPF Food Standard is an integrated international standards consisting of CODEX, ISO 9001, ISO 22000, and domestic and foreign regulations. This is also includes customer standards such as British Retail Consortium (BRC), Good Hygiene Practices, Poultry Welfare Standard for Broiler Chicken.

- Researching factors contributing to disease occurrence and preventive measures.
- Mitigating the risk of pathogen spread into the farm, for example, by incorporating technology in farming practices and remotely assessing systems.
- Providing knowledge to farmers to raise awareness about the importance, severity, and consequences of diseases.
- Conducting drills for crisis management in the event of an epidemic and preparing contingency plans for importing animal breeds.

(3) Volatility of product prices for commodities

A. The volatility of raw material prices used in animal feed production

Corn: The government has reintroduced measures to import wheat and the purchase of domestic corn for livestock feed following a relaxation of regulations in the previous year. There continues to be price guarantees for corn, but currently, actual buying and selling prices are higher than the guaranteed prices during certain periods of the harvest. This has implications for the cost of corn in the country. Internationally, corn prices have decreased due to increased global production. Furthermore, there are forecasts indicating a continuous rise in global livestock feed corn production in Brazil, the United States, and Argentina, contributing to a downward trend in price levels.

Soybean and soybean meal: Global production, export volume, and worldwide stocks continue to rise, resulting in an overall reduction in price levels. Forecasts predict a further increase in global production due to favorable weather conditions in the United States and high yields in Brazil, coupled with a decrease in demand from China. However, it's worth noting that Thailand incurs a 2% tax on the importation of soybean meal, making the cost of importing soybean meal higher than that of importing soybeans.

Fish Meal: The Company utilizes fish meal, which is a by-product of tuna processing from a processing facility. There is a trend of increasing prices from the previous year. Several factors influence the price of fish meal, such as the price of tuna, quotas on fish capture from key exporting countries, the demand volume from China as a significant importer, and environmental tax collection from certain types of fish farming. Additionally, the Company stipulates that procurement must comply with the MarineTrust standards.

In addition to the aforementioned environmental conditions, the continuous depreciation of the Thai Baht, along the fluctuating prices of animal feed raw materials, may impact the Company's food production chain at certain periods.

In the year 2022 to 2023, the average prices of raw materials used in the production of animal feed in the country are as follows:

Unit: (Baht/Kilogram)

Category of raw material	Domestic average price	
	Year 2022	Year 2023
Corn	12.3	12.1
Soybean meal	22.7	22.7
Fish meal	41.8	47.2

Risk management

The Company manages raw materials for animal feed to ensure an adequate quantity at competitive price levels, as follows:

- Monitoring news that may impact prices, such as international conflicts, government policies, tax rates, shipping costs, oil prices, competitors' activities in the industry, natural disasters, or events in cultivation areas, as well as forecasting agricultural product trends.
- Sourcing raw materials from new production sources and strategically planning advance procurement, particularly during the harvesting season.
- Prioritize sourcing raw materials from domestic producers; if the domestic supply is insufficient, additional raw materials are purchased from oversea.
- Conduct research and exploration to identify alternative raw materials, adapting locally available resources, and directly purchasing from producers.
- Expand the business to include corn cultivation for animal feed and promote local farmers in countries with established production bases to reduce dependence on imports, lower raw material costs, and minimize transportation expenses.
- Utilize the business network of affiliated companies located abroad as a channel for procurement and sourcing of animal feed raw materials.
- Enhance the delivery, receiving, and storage processes of raw materials in the warehouse, including efficient and sufficient warehouse management.
- Develop animal breeds and formulate new feed recipes to increase opportunities for reducing raw material costs.

B. Volatility of meat and livestock prices

The price situation of live animals and slaughtered meat exhibit fluctuations in every country where the Company has production facilities, with a prevailing trend of prices decreasing compared to the previous year (excluding chicken eggs). This has adversely impacted the Company's operational performance by

Swine: The situation of African Swine Fever (ASF) outbreaks in pigs has improved, leading to a resurgence in pig farming or an expansion of existing operations. Concurrently, there has been a persistent illegal importation of pork products, contributing to an increased supply of pork. However, the actual consumer demand has not met the expectations.

Broiler: The global impact of the avian influenza outbreak has not led to the expected reduction in the quantity of broiler chicken. This is due to the sale of chicken meat from Brazil and Ukraine to the European Union, preventing a decrease in chicken meat volume in Europe despite the severe avian influenza outbreak. Additionally, global stocks have remained high in the early part of the year, and other poultry farmers have extended the lifespan of broiler breeder hens, resulting in an excess supply of chicken meat beyond market demand.

Chicken Eggs: The Thai government continues to control the quantity of imported parent-stock and breeding chickens, including the number of laying hens, and sets controlled prices. In the year 2023 asures were implemented to support egg prices consistently, including the depopulation of hens at 80 weeks of age and encouraging major industry producers to export chicken eggs to reduce excess supply in the market. These state interventions have contributed to a more stable and higher egg price compared to the year 2022.

Shrimp: Ecuador is a major global exporter of shrimp, known for its low production costs. Despite facing the impact of shrimp diseases, there has been an expansion of aquaculture areas, leading to increased production volumes. Primarily, Ecuador focuses on cultivating small-sized shrimp, significantly affecting the prices of smaller shrimp during certain periods. In contrast, there has been an increased focus on cultivating larger-sized shrimp by industry players, resulting in a decline in shrimp prices similar to the trends observed in the past.

Risk management

The Company aims to manage price volatility by

- Analyzing historical data, studying the business cycles of each animal type, considering the companies' growth trends within the industry, evaluating global stock levels, government policies, assessing the occurrence of animal diseases, and demand patterns, for utilizing as investment planning, strategic adjustments in livestock farming, and production strategies.
- Developing products and goods to stand out, distinguishing them from competitors in the market, and augmenting their value through the development of value-added features.
- Promoting the sale of branded products within the processed meat and ready-to-eat food category.
- Collaborating with customers to coordinate marketing and sales strategies.
- Analyzing the market to identify new customers or target countries.
- Developing contingency plans for livestock farming, production, marketing, and sales in the event of price fluctuations.

(4) Cyber risks

The Company employs technology and information technology systems as the primary mechanism for managing data, overseeing farm and factory operations, and coordinating various distribution centers. This is aimed at enhancing competitiveness and supporting evolving work patterns, such as implementing Digital Transformation, utilizing Cloud Computing, adopting the Internet of Things (IoT) incorporating Artificial Intelligence (AI), controlling automation of machinery, collecting data, processing, and analysis of big data, remote working, and online meetings. The integration of these technologies, however, poses potential cybersecurity risks, with cybercriminals exploiting these channels to compromise the Company's systems. Coupled with the rising trends of cyber threats, increasing severity, and sophistication, the impact of a cyberattack could disrupt business operations, cause financial losses, expose sensitive data, tarnish the Company's reputation, impede business continuity, or lead to legal actions.

Additionally, the Company's business operations involve utilizing services from external entities. If these service providers do not have adequate controls and cybersecurity measures that could potentially impact the continuity of the Company's business operations.

Risk management

The Company operates with the aim of ensuring the security of its systems and critical data, mitigating cybersecurity risks by:

- In term of personnel:
 - Establishing a structure and delineating roles and responsibilities for overseeing operations and managing cybersecurity risks in accordance with the principles of task segregation.
 - Establishing Information Security Office and Information Security Risk Office.
 - Communicating appropriate practices and correct procedures when encountering virus outbreaks, malware, or inappropriate emails. This includes raising awareness about cybersecurity among employees.
 - Categorizing the information classification and conducting regular training sessions to review principles and practices consistently.
 - Conducting cyber drills according to the scheduled intervals.
- In term of processes:
 - Announcing the implementation of information security policy and standard, as well as cyber risk management policy.
 - Reviewing the security system through external audits and conducting assessments to certify cybersecurity compliance with international standards.

- Establishing a cyber security incident response plan and consistently updating it to align with the current situation.
- Reviewing and monitoring the results of collecting Key Risk Indicators (KRIs) for cybersecurity.
- In term of technology:
 - Surveillance, cyber threat detection by the Security Operation Center (SOC), and preventing unauthorized access to systems.
 - Having a Threat Intelligence system for proactive defense to detect and mitigate cyber threats.
 - Utilizing Multi-Factor Authentication technology to prevent unauthorized access to critical systems.
 - Implementing a backup site for critical systems to ensure data redundancy and continuity.
 - Conducting drills for the disaster recovery plan collaborating with the business continuity plan consistently.

With a continuously developed and enhanced cybersecurity risk management process, including capabilities in prediction, detection, prevention, and recovery planning, the Company has not encountered any cybersecurity incidents or attacks resulting in harm to the Company in the past year.

(5) Human resource management to support the future growth of the business

The Company aspires to cultivate its workforce to be adequately prepared and capable of adjusting to the swiftly evolving global landscape, propelling itself into the digital age, and endorsing sustainable business practices to attain the status of a High-Performance Organization. Surveys reveal a growing set of expectations from employees globally, encompassing equitable compensation, purposeful work, an organizational culture embracing diversity, and responsible business conduct. Hence, it is imperative for the Company to align the expectations of its employees with organizational objectives, ensuring the fulfillment of both parties' requirements. Failure to do so may result in the departure of proficient personnel or employees finding it challenging to execute their tasks in line with specified objectives, thereby impacting both present business operations and future expansion strategies.

Risk management

The Company implements organizational management and develops human resource strategies to ensure that employees possess the required competencies and are content in their roles with the Company through various operational initiatives, including:

- Establish organization structures facilitating efficient workflow and flexibility, and deploy human resources that suit the needs of job requirements.
- Leveraging technology to enhance efficiency, reduce costs, and improve workplace safety.
- Skills development:
 - Developing a learning program focused on four key skills: fundamental knowledge, future skills for organizational success, managerial and leadership skills, and technical skills.
 - Enhancing employees' abilities to perform tasks beyond their specific roles, promoting diversity in skill sets and capabilities.
 - Providing educational scholarships to employees to create opportunities for knowledge development at the undergraduate and postgraduate levels.
 - Collaborating with experienced executives or external experts to share insights and experiences.
- Providing appropriate rewards and creating employee engagement:
 - Adhering to fairness and transparency principles in performance evaluations, linking to fair compensation management, and presenting attractive rewards while enhancing employee benefits.
 - Evaluate employee engagement and implement various projects to support factors that contribute to increased organizational commitment.
 - Plan for growth in a non-discriminatory career path and communicate clearly with employees.

2.2.5 *Financial market volatility*

In the past year, 2023, the global economy has shown signs of recovery from the worldwide spread of COVID-19, moving towards normalization. However, the expansion of the global economy in 2023 has slowed compared to 2022. This is due to various factors that continue to exert pressure on the economy, especially issues such as the Russia-Ukraine conflict leading to trade sanctions and a potential energy crisis that is showing signs of stretching. Challenges in the Chinese real estate sector may result in a slowdown in the Chinese economy beyond initial expectations. Additionally, the impact of inflationary pressures has led central banks in several countries to adopt higher interest rate policies to control inflation.

In the case of Thailand, after the easing of the COVID-19 situation, tourism has shown significant recovery. Investments from both the public and private sectors have started to return. However, the domestic economy still faces various challenges. These include adjustments in the interest rate policies of the Bank of Thailand, resulting in increased costs for borrowing and fundraising. Energy costs remain high, and trade barriers, as well as cautious consumer spending, contribute to the complexity of the economic landscape. Additionally, there is volatility in the global financial markets.

The Company generates revenue in various foreign currencies, such as revenue from selling products of overseas operations, revenue from exporting goods from Thai operations, and returns on investments. In addition to revenue, the Company incurs expenses in foreign currencies, including the purchase of raw materials for importation into the production process, importation of consumables, machinery, and some equipment. There are also expenditures for foreign investments. Additionally, some portion of the borrowings is denominated in foreign currencies. Therefore, the Company manages its revenue and expenses appropriately, including managing exchange rates and interest rates to mitigate the aforementioned impacts.

As of December 31, 2023, the Company's Net Debt to Equity Ratio¹⁶ is 1.54. Within the total debt, some portion arises from borrowing funds from financial institutions and issuing financial instruments, resulting in interest expenses. It is anticipated that exchange rates and interest rates will continue to be influenced by global economic conditions. Therefore, the Company needs to consider options for capital raising, dividend payment formats, or timing to ensure that the interest burden remains at an appropriate level in line with the Company's policies.

Risk management

The Company has established a policy for managing foreign exchange rate risk, emphasizing not seeking profit and diversifying the risk from receiving or paying foreign currencies in various significant currencies globally. Additionally, there are measures in place to manage revenue and expenses in various currencies to align with natural hedging. Concerning interest rate risk management, the Company primarily borrows at fixed interest rates, providing clarity on actual expenses. However, the Company also borrows at floating interest rates THB 79,788 million, accounting for 29% of the total outstanding loans as of December 31, 2023. If interest rates increase by 1%, it would result in an additional interest expense of THB 798 million. The Company has also defined a policy regarding the net debt-to-equity ratio and strictly adheres to this policy. Furthermore, caution is exercised in decision-making, and the finance and accounting departments gather and analyze interest rate information from reliable sources. The decision-making authority lies with committee or the authorized person, as clearly outlined in financial policies and regulations.

Even though the Company establishes frameworks for financial risk management, in reality, these measures may not eliminate all financial risks. Therefore, the Company may incorporate financial derivatives to further manage fluctuations in exchange rates and interest rates, aiming to reduce them to acceptable levels. The utilization of these financial tools requires execution by authorized individuals and must receive approval from those with the authority to do so.

¹⁶ Calculated according to the criteria specified in the Term, Conditions and Obligations of the Issuer and Debenture holders of CPF Debentures, No. 2/2013, and debentures issued thereafter, whereas net debt refers to all debts bearing interest which includes liabilities under financial lease and subtracts cash, cash equivalents and current investments.

2.2.6 *Corporate image and reputational risk*

The Company conducts its business ethically, transparently, and in compliance with the law. It has effective governance, oversees its operations well, and actively engages with the community and society to promote mutual understanding. This contributes to building a good reputation and image for its brand and company. The Company communicates this commitment to all levels of employees, ensuring continuous and sincere adherence. It develops systems to support the work of all departments, aiming to minimize the occurrence of errors. However, the Company acknowledges that errors may still occur, affecting certain groups due to factors such as lack of knowledge among employees, misunderstanding among stakeholders, or system errors. Such incidents may result in reputational damage and loss of confidence among stakeholders.

Risk management

The Company develops its personnel and systems to operate the business in accordance with good governance principles by

- Developing work processes and monitoring systems to be appropriate and efficient.
- Emphasizing that employees conduct themselves according to ethical principles and contribute to the sustainable development of the organization.
- Disseminating accurate and beneficial information to build the brand and reinforce the organization as a responsible entity.
- Provide channels for individuals to offer suggestions or file complaints, and expedite the resolution of identified issues.
- Assess the needs and expectations of stakeholders through the analysis of key issues, and formulate a management plan accordingly.
- Establish a department responsible for monitoring news, reporting incidents, responding to news, and developing crisis communication plans.
- Collect key risk indicators and concurrently establish management measures.

2.2.7 *The risk arising from having major shareholders holding more than 25% of the issued shares*

As of March 13, 2024, Charoen Pokphand Group Co., Ltd. ("CPG") and its subsidiaries collectively hold 44.99% of the total issued shares of CPF. This could potentially leads to a scenario where, in accordance with legal stipulations or regulations, a minimum of 3 out of 4 votes from the total votes of shareholders present and eligible to vote is required for any resolutions to be approved. If CPG and its subsidiaries abstain from voting or cast dissenting votes during the aforementioned resolution, may not be passed.

Risk management

The Company and the Board of Directors are committed to treating every shareholder equally and fairly, prioritizing the interests of both the Company and the shareholders. This commitment aligns with the corporate governance policy declared and implemented by the Company, which include prescribed procedures and levels of authority for various corporate operations. In the event of any transactions requiring approval from the shareholders' meeting, such matters must undergo scrutiny by the senior management of the Company before being presented for consideration and opinion by the Board of Directors. The Secretary of the Company, having received authorization from the Chairman of the Board, is responsible for including these matters in the agenda of the board meeting for examination and opinion by the board members before being presented to the shareholders' meeting for resolution.

In the invitation letter to the shareholders' meeting, the viewpoints of the Company's Board of Directors will be explicitly and appropriately stated. This is to ensure that shareholders are informed of the board's perspectives on the proposed agenda items, enabling them to use this information as a fundamental basis for their decision-making. In accordance with these practices, the Company is confident that major shareholders will cast their votes in alignment with the board's opinions in each agenda item. Furthermore, in cases where the Company engages in related transactions that require approval from the shareholders' meeting, shareholders with vested interests, who are deemed related persons

according to the relevant regulatory announcements by the supervisory authorities, will not have the right to vote on such agenda items.

2.2.8 Investment risks to security holders

The fluctuation and significant decline in commodity prices compared to the previous year, coupled with an increase in the cost of goods, have intensified competition in the food industry. Given this challenging environment, the Company's operational performance has fallen below the target. Consequently, the Company has announced the suspension of dividend payments. Apart from operational results, the ability to distribute dividends may also depend on other factors such as financial status, future investment plans, economic conditions, adherence to specified terms and conditions of the Company's designated debenture, and more. Therefore, if these factors materialize, it may impact investors, resulting in returns that fall short of expectations.

Risk management

The Company strives to conduct its business with the aim of providing reasonable and consistent returns to its shareholders, in accordance with the policies established by the Company as

- Diversifying the business risks across the nature of operations, types of products, and countries of investment.
- Anticipating market trends, including adjusting strategies and investment plans to align with the prevailing conditions.
- Source capital and manage finances appropriately during each period.
- Continuously enhance efficiency to reduce costs throughout the supply chain.

2.2.9 Debt repayment capability risk

As of December 31, 2023, the Company has a current ratio of 0.81, an interest coverage ratio of 1.96, and a debt service coverage ratio of 0.25. These figures indicate that the Company maintains liquidity that enables debt repayment.

Risk management

Repayment of obligations is considered a matter of utmost importance for the Company, and the Company is committed to making the best efforts to adhere to the agreements it has entered into. The Company will undertake appropriate actions, such as

- Ensure maintaining sufficient liquidity to repay principal, interest, and various obligations as stipulated.
- Procure reserve capital from alternative sources, such as obtaining loans from financial institutions or considering the sale of non-revenue-generating assets and so on.

2.2.10 Risk from high-level debt arising from operations and acquisitions

As of December 31, 2023, the Company has interest-bearing debts (excluding finance lease liabilities) amounting to THB 479,748 million, representing 80% of the total liabilities. The interest-bearing debts-to-equity ratio is 1.81, which is below the specified threshold for debentures.

Risk management

- Prior to making an investment decision: Consider the alignment of investment objectives with the Company's goals. Evaluate investment opportunities in conjunction with potential returns and associated risks, legal considerations, and the business operating environment. Conduct through due diligence for overseas investment projects and assess the feasibility while evaluating project risks.
- Following the investment decision: Monitor the progress of the investment and operational results through established performance indicators. In cases where the operational results deviate from the set objectives, responsible management must present identified issues and propose management measures.
- Ensure maintaining sufficient liquidity to repay principal, interest, and various obligations as stipulated.



2.2.11 Risk related to maintaining financial ratios

As of December 31, 2023, the Company's Net Debt to Equity Ratio¹⁷ stands at 1.54, which is below the threshold specified in the debenture right terms. The Company is obligated to maintain a Net Debt to Equity Ratio not exceeding 2.00. This calculation is based on the financial statements for each accounting period ending on December 31, as verified by the auditor.

Risk management

The Company has continuous monitoring and estimation mechanisms in place to ensure that financial ratios comply with the specified terms and conditions at all times.

Nonetheless, beyond the aforementioned risk factors, there may be other risks that the Company is currently unaware of, or risks that are considered insignificant. Therefore, investors should consider additional risk factors when investing in the Company's securities.

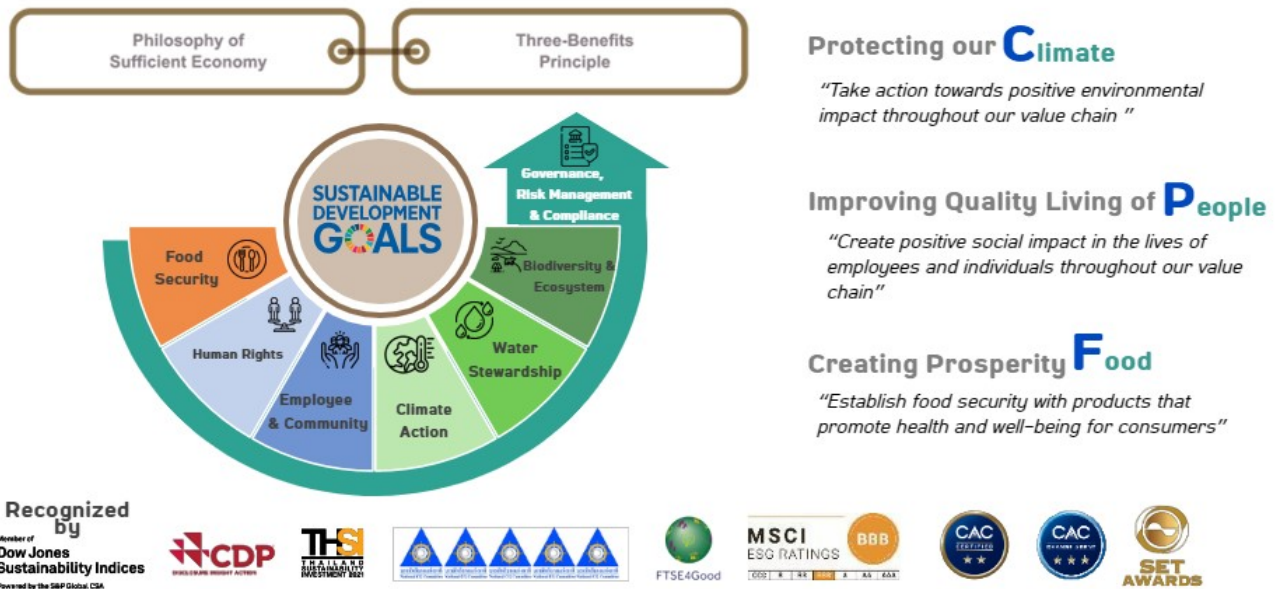
¹⁷ Calculated according to the criteria specified in the Term, Conditions and Obligations of the Issuer and Debenture holders of CPF Debentures, No. 2/2013, and debentures issued thereafter, whereas net debt refers to all debts bearing interest which includes liabilities under financial lease and subtracts cash, cash equivalents and current investments.

3. Driving Business towards Sustainability

3.1 Sustainability Management Policies and Goals

The Company is well aware of and prioritizes the integration of shared value creation into the goals and business strategies throughout the value chain in order to enhance the Company’s sustainability. The Company respects stakeholders’ rights in all aspects under the 3 benefits principle that the business must be conducted for the interest of the nation, citizens, and the Company. The Company has also applied the Philosophy of Sufficiency Economy as a guidance for conducting the business as well as support the United Nations Sustainable Development Goals, based on good corporate governance, organizational risk management, and compliance.

The Company takes into consideration the agro-industry and food operation context, as well as analyses of the key internal and external factors, covering economic, social, and environmental risks together with internal and external stakeholders’ satisfaction. Thus, the Company has established 7 key sustainability focuses: 1. Governance, Risk Management, and Compliance 2. Food Security 3. Human Rights 4. Employee and Community 5. Climate Action 6. Water Stewardship and 7. Biodiversity and Ecosystem, as shown in the Picture. The Company’s goals are set in alignment with these material topics and the United Nations’ 17 Sustainable Development Goals (UN SDGs) and the 10 principles of the UN Global Compact.



Sustainability Development Framework

1. Governance, Risk Management, and Compliance (GRC)

The Company realizes that governance is fundamental to directing the Company as a good organization in the society. The Company implements corporate governance policy and sustainable development as a framework to govern and drive the Company’s economic growth while maintaining the environmental balance and creating shared value with the society.

The Company emphasizes on reviewing the sufficiency and effectiveness of corporate risk management policies and strategies, with the assessment of external and internal risk factors, as well as potential risks that could arise from rapid changes. The Company provides guidelines for risk management to maintain the risks within an acceptable level.

Compliance with the laws and regulations relevant to corporate governance contributes to the Company’s sustainable growth, as well as earning shareholders’ and stakeholders’ trust. The Company sets compliance policies that directors, executives, and employees at all levels must comply with.

2. Food Security

Food security, according to UN SDG's Goal 2: Zero Hunger, refers to achieving food security, enhancing nutrition level, and supporting sustainable agriculture. These are the Company's main mission as one of the top agro-industrial and food companies. The Company aims to produce quality, safe, and nutritious food physically and economically that fulfills the need and satisfaction of good quality of life. This should be sufficiently accessible to every individual, household, national, regional, and global level, regardless of economic crisis and weather conditions, starting from responsible raw material sourcing and shared value creation in the whole supply chain.

3. Human Rights

The Company realizes the importance of respecting stakeholders' human rights in all aspects, including employees, workers and their families, customers, consumers, business partners, communities, shareholders and bond holders, investors, accounts payable persons, loan providers, government sector, civil society, and academia, as well as media throughout the supply chain. The Company conducts business operations in accordance with national laws and international principles of human rights. Strategies and plans for risk management have been established to handle possible risks arising from human rights violations. There are protection and remediation mechanisms, and the Company provides opportunities for employees, communities, and stakeholders to discuss the topics for understanding, collaboration, and optimization.

4. Employee and Community

The Company recognizes that all achievements are rooted from its high-potential employees, who are adaptable to change, work processes and technologies that enhance work efficiency, and the corporate culture that aligns with its business direction. Consequently, the Company has established a foundation for its human resource management strategy, focusing on organizational excellence to elevate capabilities in anticipation of ever evolving and accelerating changes in the global landscape. It creates the corporate culture of employee engagement, encouraging employees to be ethical and talented, promotes learning throughout the employee life cycle, and fosters well-being management. The Company's Occupational Health and Safety policy enables the safe work system for employees.

In addition to the support to communities in all aspects of economy, society, and environment through various projects, the Company also implements the policies to encourage its employees to take part in such community activities, especially during crises.

5. Climate Action

The Company aims to Net-zero across the entire value chain by 2050 (B.E. 2593). The Company's near- and long-term FLAG science-based targets validated by the Science Based Targets initiative (SBTi).

6. Water Stewardship

The Company focuses on systematic water resource management, including risk assessment of water sources for flood and drought prevention. The Company adopts technologies in the production process to reduce water consumption, optimize water usage, implement water reclamation system, control the quality of treated wastewater before releasing to the nature, as well as collaborate with government sector and communities to manage local water resources.

7. Biodiversity and Ecosystem

Biodiversity can be found in one area, comprising of cooperation and mutual support to form a network in the ecosystem to maintain equilibrium and enable human coexistence. The Company acknowledges the importance of biodiversity as part of the global environment, so the Company promotes activities to safeguard and restore biodiversity within the Company's premises and collaborate with the government sector and stakeholders to act in various areas.



More information on corporate sustainability-related policies is available on the company's website, under "Lead the Way to Sustainability" and in the Sustainability Report 2023.

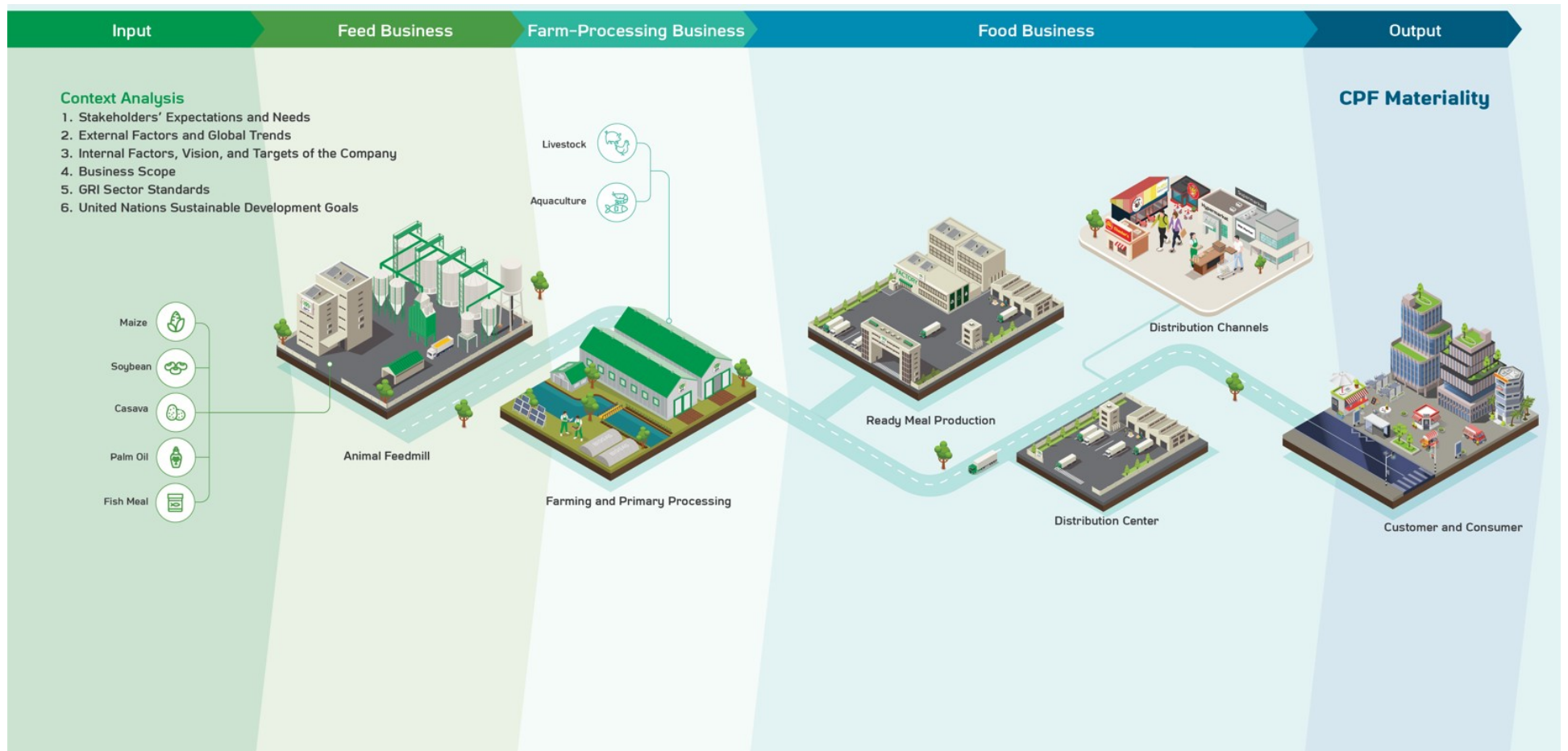
3.2 Impact Management towards Stakeholders in Business Value Chain

3.2.1 Business Value Chain Analysis

The Company operates agro-industrial and food business with its main businesses divided by the nature of products into 3 categories: 1. Feed: The production and selling of animal feed using corn, soybean, cassava, palm oil, and fish meal as main raw materials. Animal feed is the main component for farm business. 2. Farm-Processing: The animal breeding, commercial farming and primary meat processing, comprising broiler, layer, swine, shrimp, and fish. The process includes farm management and primary meat processing which deliver main materials to food processing and cooking processes of ready-to-eat products. 3. Food: The production of ready-to-cook, ready-to-eat, and processed food, including food retailers and restaurants.

The Company has analyzed the value chain to identify key sustainability focuses throughout business operations from upstream to downstream, and subsequently established policies and 7 key sustainability focuses. The details are shown in

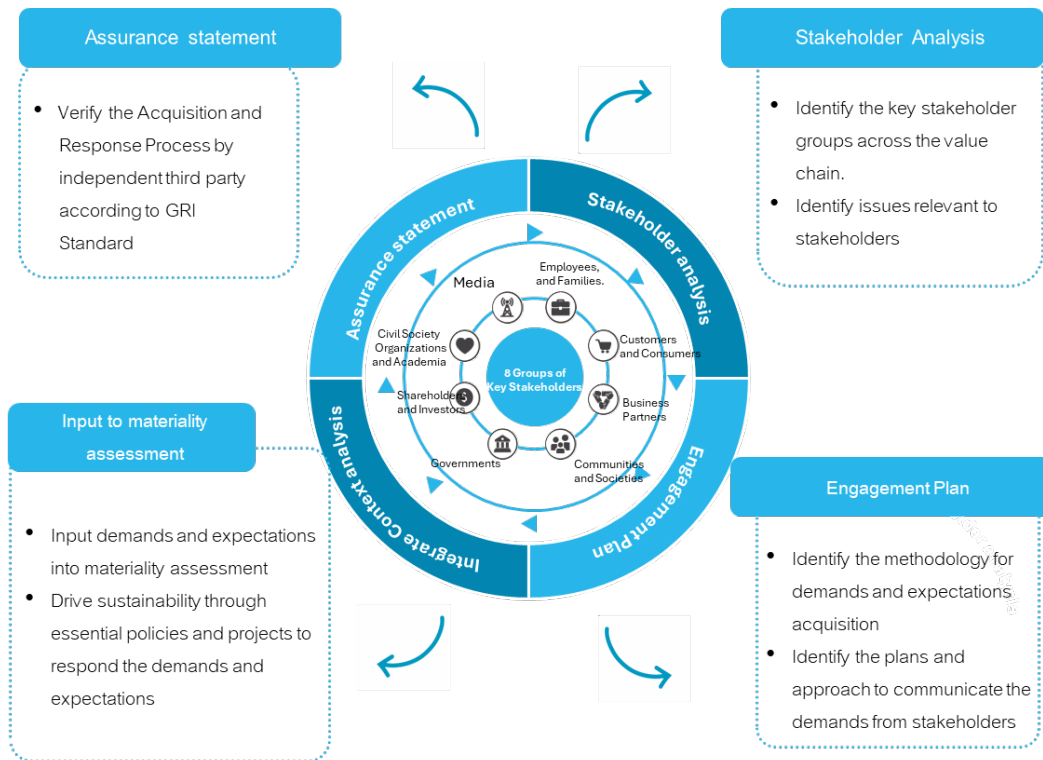
3.1 Sustainability Management Policies and Goals



3.2.2 Stakeholder Analysis in Business Value Chain

Conducting business needs to take positive and negative impacts towards relevant stakeholders into consideration. It is crucial to accurately identify stakeholders, define channel to gain the need and expectation, as well as set response plans, especially for an organization context that undergoes rapid changes of economy, society, and environment. The Company has established guidelines to manage stakeholder analysis in business value chain as follows:

1. Analyzing and categorizing stakeholders, evaluating impacts in relation to main activities of the value chain. In summary, there are 8 groups: shareholders and investors, employees and their families, customers and consumers, business partners, communities and society, government, civil society and academia, and media. Each group has different needs.
2. Planning to collect information regarding stakeholders' needs and expectations through community engagement sessions and employee satisfaction survey, etc.
3. Analyzing the needs and expectations, subsequently utilized them as input for materiality assessment and defining systematic response plans by establishing sustainability policies and goals.
4. Building stakeholders' trust by having the operations reviewed by external independent organizations regarding the consolidation of needs and expectations, materiality assessment, and implementation towards the goals in accordance with GRI Standards.



Stakeholder Analysis Framework



More information on stakeholder analysis and sustainability material topics is available on the Company's website, under "Lead the Way to Sustainability" and in the Sustainability Report 2023.

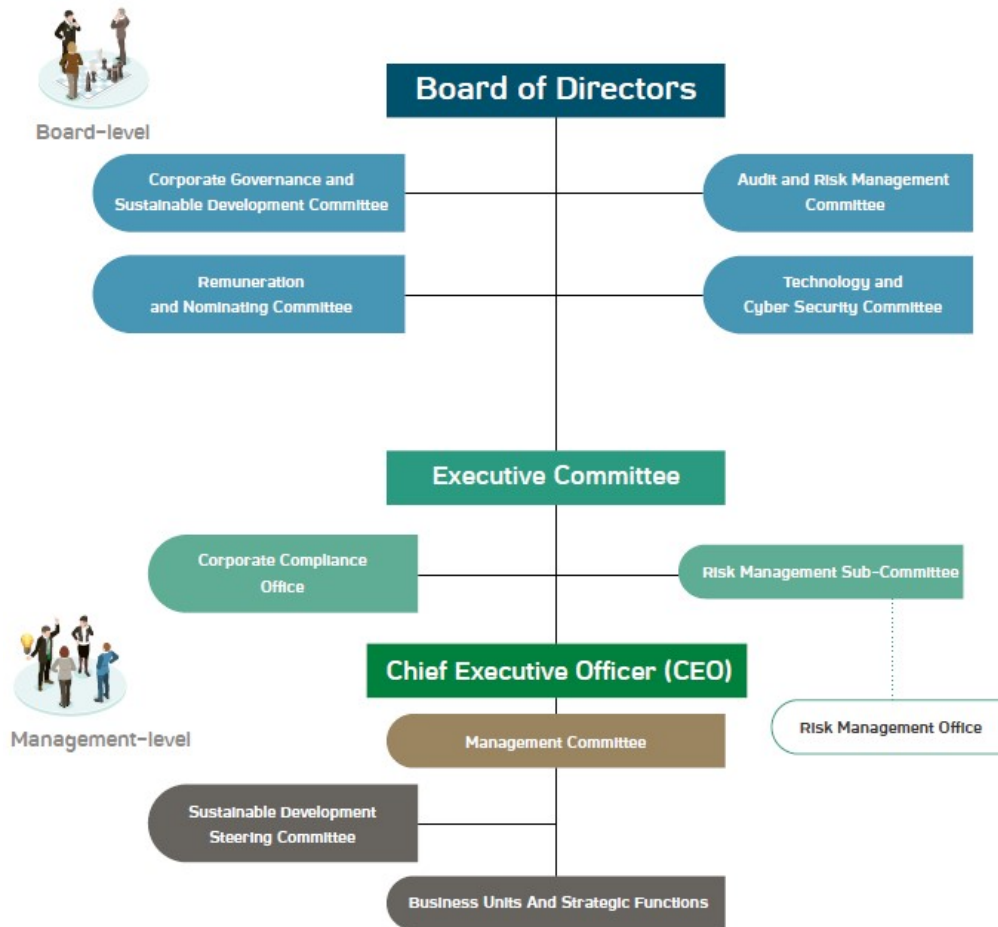
Sustainability Governance Structure

The Board of Directors has appointed the committees in various aspects, including Corporate Governance and Sustainable Development Committee, Audit and Risk Management Committee, Technology and Cyber Security Committee, to supervise and review operations, to establish policies and commitment, as well as to monitor sustainability performance, e.g. governance, risk management, compliance, business ethics, occupational health and safety, environmental management,

biodiversity and zero deforestation, climate change, water stewardship, and cybersecurity. The board of directors has assigned the executive committee to supervise the compliances.

In the management level, the Chief Executive Officer has set up the sustainable development steering committees, comprising executives from relevant business units to manage material sustainability aspects and communicate to operational level in order to continually monitor the project progress against key indicators.

Sustainability Development department including other functions in charge of risk management, compliance, and human resources management, undertake the materiality assessment which is proposed to the Chief Executive Officer to identify approaches, policies, strategies, and goals. These will be escalated to the Corporate Governance and Sustainable Development Committee and then to the Board of Directors for approval of the organizational goals and policies.



Sustainability Governance Structure

To continuously drive the Company towards sustainability, the Company has established strategic plans to drive social and environmental sustainability for 10 years between 2021-2030 (B.E. 2564-2573), as shown in the Sustainability Report 2023. The Company also annually reviews the material topics and sustainability plans to keep up with the ever-changing global landscape.

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policies and Practices

The Company is committed to taking good care of the environment for the whole value chain by analyzing environmental impact for the entire life cycle of products. This leads to fundamental information of the business and the establishment of policies, covering the whole business operations, from raw materials sourcing, production, transportation, product delivery to customers and consumers, to waste management. Environmental aspects have been integrated into the

cost-saving approach in business operations to reduce resource usage and pollutions. The Company's key environmental aspects are climate action, circular economy and packaging, waste management, water stewardship, and biodiversity and ecosystem. The management approach are as follows:

Climate Action

The Company commits to Net-zero across the value chain by 2050. The Company is the first food processing company in the world with near- and long-term Forest, Land and Agriculture (FLAG) science-based targets validated by the SBTi. FLAG is a specific standard for agriculture and food sector. The main approaches for the reduction of greenhouse gas are through the deforestation-free supply chain, the use of renewable energy, the efficiency optimization of agriculture and production process via digital technologies, and the implementation and development of other technologies, e.g. electric vehicle, hydrogen energy from livestock manure, and disaster risk management through water stewardship for flood and drought prevention.

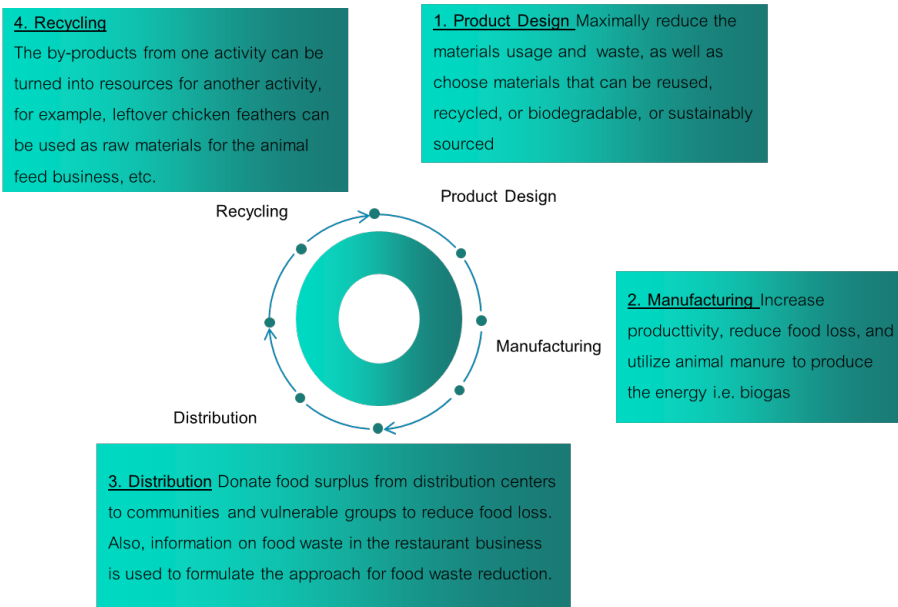


Circular Economy, Packaging, and Waste Management

The Company has established and driven waste management and circular economy policies by focusing on process waste reduction to landfill. This includes reduction of food waste within business operations. Sustainable packaging policies and practices, and the deployment of circular economy in the entire value chain.

The Company, in collaboration with business partners, focuses on the development of packaging that is reusable and recyclable, in line with circular economy principle, which supports BCG or Bio-Circular-Green economic model. The plastic

packaging for food must be reusable, recyclable, or degradable. Furthermore, the cooperation network has been formed with the government sector, business sector, independent organizations, and stakeholders to promote and support post-consumption food waste and packaging management.

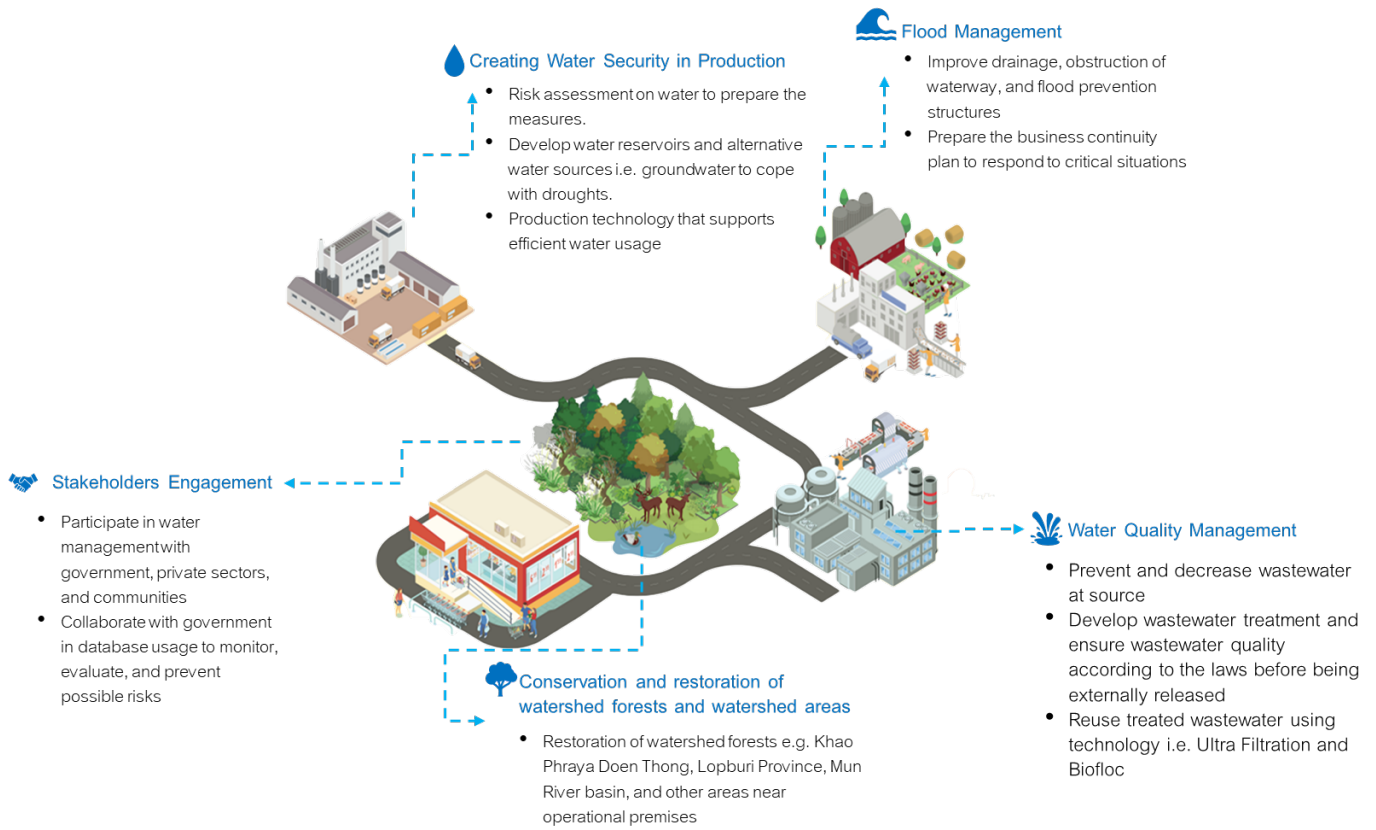


Waste Management and Circular Economy Framework

Water Stewardship

The Company manages water resource by reducing the quantity used per product unit of water withdrawal, applying the 3Rs principle: Reduce, Reuse, and Recycle. The Company also utilizes recycled treated wastewater and controls the quality of wastewater prior to the release in accordance to relevant standards. In addition, the Company conducts the water risk assessment to identify appropriate measures as well as collaborates with communities, farmers, government sector and

significant local stakeholders in the areas for water management, flood prevention, and water reservation when facing drought that could intensify due to climate change. The water stewardship framework is shown in the diagram below.



Water Stewardship Framework

Biodiversity and Ecosystem

The Company is committed to the preservation and protection of biodiversity and the anti-deforestation. The biodiversity risk of the production locations in Thailand has been assessed with the Geographic Information System (GIS), a tool to demonstrate and assess the proximity between establishments and biodiversity areas and national and international protected areas. The Company has established the Sustainable Sourcing Policy and Supplier Guiding Principle to oppose deforestation and communicate this to suppliers. This is to mutually ensure the awareness of responsible sourcing of raw materials in the entire value chain. The Company promotes forest conservation and reforestation to ensure everyone’s rights on good environment through various projects, e.g. “From mountains to mangrove forests” project that connects the conservation and restoration of upstream terrestrial forests to the downstream mangrove forests. The project consists of the conservation project at Pa Sak Basin, Khao Phraya Doenthong, Lopburi Province, Thailand, that transforms dry areas to green forests and restores humidity in the nature with various flora and fauna. The mangrove conservation project in 3 areas in Thailand: Bang Ya Phraek Sub-district, Samut Sakhon Province, Pak Nam Krasae Sub-district, Rayong Province, and Tha Phrik Sub-district, Trat Province, enriches the mangrove forests as a nursery for young aqua-animals, resulting in the benefits from the usage of restored natural resources for nearby communities. Furthermore, the Company also encourages employee engagement in environmental stewardship by increasing green areas in its premises, in both Thailand and overseas.

Remark: Performance on environmental sustainability can be found in Sustainability Report 2023



More information of the sustainability performance 2023 is available in the Sustainability Report 2023.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policies and Practices

The Company focuses on personnel development to be both ethical and talented and pledges to improve employees' potential to become competitive in business landscape through the support of life-long learning and innovative organization. The Company promotes culture and internal management to provide happiness in the workplace, health and well-being, and workplace safety for employees. The Company encourages employees to use their knowledge to develop and support the communities and the society and instills human rights in the entire value chain. The Company's approaches are as follows:

People

According to the vision on human resource management as: "People Excel - Business Exceeds" coupled with respect of human rights and good labour practices, all of which are crucial foundations for caring of people, the Company has promoted value creation to its employees of all levels to ensure their readiness for adapting to changes in business operations according to today's global context, for example, digital transformation in working environment and supporting sustainable business operations, etc. Employee's reskill - upskill development has been implemented and results in making all employees feel valued. The Company shall look after our employees throughout their employment periods until their retirements. We also place importance on employee and worker occupational health and safety consistently and ensure their safety and hygiene at work so that our people shall get home safely everyday.

Human Resource Management

CPF is committed to driving the organization towards becoming the "leader" in the fields of technology in the food industry, striving to become "Kitchen of the World". The Company acknowledges that all achievements arise out of its high-potential employees adaptable to change, and from the work processes and technologies put in place that enhance work efficiency, including the organizational culture that aligns with its business directions. Consequently, the Company laid a foundation for its human resources management strategy toward High Performance Organization over the past three years, from 2021 to 2023, and has been building on such performances so as to elevate the capabilities in response to the changes that happen all the time and at an increasingly pacing rate at the global context. The Company places important on five HR Strategic initiatives including:

1. **Digitalization and HR Process Improvement:** Elevating the use of digital tools with particular focus on enhancing work efficiency by means of "Advanced People Analytics" - rapidly with quality; providing in-depth information while providing support in business decision-making processes. Additionally, enhancing the capability of the human resources management processes which are automated with user-friendly responses.
2. **Leadership:** Building a new generation of leaders as "decent and talented employees" on the basis of six core values or "CPF Way" through the Entrepreneurship Program, with the senior executives acting as sponsors building a new generation of leaders with adherence to the principle of "Coaching and Feedback without Command". Furthermore, the Company has developed the Succession Plan through formation of the Successor Pool, who are prepared and ready to take an important role in the organization immediately. This also includes development of "Leadership Capability" which enable the successors to grow sustainably and mutually with the organization.
3. **Organization Design and Strategic Workforce Planning:** Consisting in the Strategic Workforce Planning that aligns with the organization's business direction by means of Organization Design with focus on flexibility and agility, going towards a flat organizational structure. The HR management processes have been streamlined as they have become more concise with an appropriate span of control. Any redundant processes and scopes of work have been reduced. The Company has also promoted employee empowerment in decision-making, while enhancing efficiency and flexibility at all levels from the organization, the departments and the employees.
4. **People Capabilities and Change Management:** Aiming to build and recruit "decent and talented employees" from different parts of the world, starting with the undergraduates. In collaboration with educational institutions, the

Company has initiated the “Co-Creation Program” which involves jointly designing a curriculum, in partnership with the leading institutions, both domestically and overseas, with an aim to develop essential skills for the future, embedded in the new generation who will be a great force to the Nation. Furthermore, the Company is committed to equipping its employees at all levels with future skills, elevating and developing their knowledge and abilities (Upskill-Reskill) to cope with changes in the current and future business operations. This effort is supported by our Learning Center and Technical Academy for specific groups of employees going through the development plans. This has enabled enhancement of the personnel’s capabilities to drive growth sustainably.

5. **Culture and Engagement:** Embedding our organizational culture and core values through the “C.P. Ambassador” program, with the “Change Agents” being selected and assigned to represent the organizational values, with dignity and loyalty, and to drive organizational culture sustainably. This includes improving the employee engagement through a variety of activities under the C.P. LOVE Platform.

CPF is committed to human resources management at the degree of excellence, driving the organization and conducting business on the human rights principles. The Company believes that the diversity of employees is a crucial foundation to drive growth of the organization. The employees are encouraged to embrace differences and adhere to equal treatment to all, respect for others, and foster diversity in terms of nationality, religion, culture, age, gender, etc. The Company is determined to eliminate discrimination and combat all forms of harassment, and to collectively improve the human rights standards in the organization sustainably. The five Human Resources Strategies of the Company are described in detail below.

1. Digitalization and HR Process Automation

Following the HR Transformation project of the company in 2019, enhancing our human resources management processes by integrating digital technology to reduce workflow redundancies and enhance efficiency across the employee life cycle within our organization, utilizing the SAP SuccessFactors through the HR-eXp project. Nevertheless, in 2023, the Company pursued its objective of enabling its employees to access a wide array of HR services through the Employee Self-Service platform, which facilitated personal data management, such as workforce management in Interactive Dashboard, through the SAP Analytics Clouds (SAC) on SAP SuccessFactors. Furthermore, the HR-eXp project has been expanded to our international operations, commencing from Vietnam in 2022 and extending to Malaysia in 2023, with further plans for expansions to additional countries in 2024.

In 2023, the Company developed the system to be responsive to the specific requirements of various users and business needs with flexibility, efficiency and data security, detailed as follows:

- 1.1 Advanced People Analytics involves a comprehensive analysis of people data from various dimensions such as employee demographics, workforce planning, data that aligns with our commitment to enhancing the quality of life of our employees, etc.
- 1.2 Human Resources Planning and Management involves workforce planning, the management of employee data and work experiences to the creation and analysis of comprehensive human resources management reports. This provides data for decision-making through the SAP Analytics Clouds system.
- 1.3 Performance Management involves setting goals, monitoring achievements, and conducting 360-degree performance evaluations.
- 1.4 Skill Assessment and Development aligns with career management plan and supports the self-learning. This enables employees to monitor their training progress that aligns with their individual development plans.
- 1.5 Promoting internal communication within the organization, enabling employees to speedily and efficiently exchange knowledge and get information through SAP JAM and CPF Family platforms. Additionally, our “Ask HR system” serves as a readily accessible channel for all employees to make inquiries and receive support in human resources management whenever needed.

Conducted for the second consecutive year, the employee HR-eXp satisfaction survey in 2023 indicated a substantial increase in satisfaction with 93.6% satisfaction rate – a notable 5.4% improvement from the previous year's figure of 88.2%. The high adoption rate of our digital tools, standing at 97.5%, underscores the positive reception by our employees.

2. Leadership

2.1 Talent Management

The Company is devoted to enhancing the knowledge and skills of our employees at all levels, aiming to cultivate decent and talented employees who align with our six core values and enable drive the business to achieve goals through Entrepreneurship Program for operating in a challenging environment and continuously elevating the potential of our leaders. Emphasizing on Action Learning Programs, these projects simulate real business ownership scenarios, fostering leadership and cross-functional collaboration culture. The projects have rigorous, standardized, and transparent performance evaluation system to ensure measurable business outcomes. Moreover, they also have a well-defined career progression plan for the new generation of leaders. Each project contributes value to the countries, communities, and the company in line with our Three Benefits Principle.

The Company expands its talent development program by providing opportunities for experienced leaders to systematically convey their knowledge to the next generation through the “A Leader creates More Leaders” approach. This aims to prepare them for developing managerial skills. Sponsors play a pivotal role by Coaching and Feedback without Command, as well as supporting, and creating opportunities to showcase their potential, without imposing supervision or restricting thought processes in work execution.

Furthermore, the Company has put in place a specific online learning platform for the new generation of leaders. This consists in a Knowledge Management material called “Tee-Det”. It has enabled the project participants to learn from successes and mistakes of other different projects through the online platform, for example “Wet Market's Tao-Kae” Handbook and product information. Additionally, we offer various courses to enhance essential job skills, including consultative sales, negotiation, strategic goal setting, problem-solving, decision-making, and sponsor development. Currently, over 1,500 employees are actively engaged in this project.

The Company actively supports the development of high-potential employees by offering scholarships in STEM education to employees and their children who have passed the selection process both domestic and abroad. In total, we grant 80 scholarships, fostering future skills, enhance business advancement, and expedite the development of people in critical fields. This initiative is to enhance the nation's competitiveness. Presently, the company has granted 17 scholarships, with eight employees currently studying under this program.

Strategic Rotation serves as another strategy in supporting employee career growth. Our Company is committed to fostering diverse potential, offering employees the chance to rotate roles within the organization on both within and cross-functional approaches through the “Chance for Change Program”. This program emphasizes the concept of career aspiration where the rotated employee anticipates to career development, which is suitable to his or her expected career growth. Additionally, there is the "Opportunity Day - Growing the Future" program, involving 20 business units. This is designed to foster a culture of learning and enhance career advancement opportunities. This ensures our employees grow in tandem with the organization's sustainable development. There have been 600 participants offline and 1,500 online participants with 90% satisfaction rate as reflected through the satisfaction survey. Throughout 2023, the Company has been supporting the internal growth with the internal rotation at 44.5% from the overall recruiting positions.



2.2 Succession Planning

Succession planning is a critical process in proactively preparing our employees' readiness to mitigate the risk of talent shortages in key positions, which affect a company's competitiveness. This includes high-level executive positions within an organization such as CEO, CEO-1, CEO-2, and scarce resources in specialist positions, etc.

The Company has put in place a clear selection process for successors, who have performed brilliantly and have remarkably high potential. They are to be developed and be prepared to hold a higher position. This selection is based on transparent and fair criteria, employing global standard tools to assess leadership potential. When internal employees are not ready for targeted positions, we conduct "Talent Market Mapping" to gather profile information of external candidates with the qualifications corresponding to such key positions in the labor market in response to the replacement of the target positions or the newly created positions, in alignment with the Company's future direction. However, the succession list requires approval of the appointed Human Resources Management Committee, and the succession planning list is subjected to revision at least once a year.

The Company develops individual development plans for successors, encompassing both short-term and long-term plan to prepare the successors for their future positions. These plans include expanding job scopes, assigning tasks with increased responsibilities to enhance their skills, and strategically rotating them through key positions to develop their knowledge, abilities, and experiences. This covers participation in strategic projects that align with the Company's directions, encouraging cross-business unit collaboration, etc.

3. Organization Design and Strategic Workforce Planning

3.1 Organizational Structure Design

In 2023, the Company focused on enhancing efficiency across the organization by transitioning to a flat organization, minimizing organizational layer, and refining work processes with new technologies to promote effective decision making. We also focus on new skill development (Upskill & Reskill), innovation-driven and flexible way of working (Modular & Agile). This is to ensure that our employees can perform to their ultimate performance even in a changing environment. Furthermore, our company fosters the culture of empowerment, enabling employees to have faster, more efficient decision making and agility.

3.2 Strategic Workforce Planning

To achieve the strategic goals, systematic strategic workforce planning is an ongoing priority for the Company, encompassing both domestic and international operations. This aligns with business plans which takes the current and future situations into account. Appropriate strategic workforce assessment is based on an understanding of business, plan, strategies, and financial performance of all organizational units.

The Company emphasizes strategic workforce planning, considering the alignment of workload with workforce productivity, departmental performance development plans. Technologies and systems, such as SAP Analytics Clouds, are utilized to enhance workforce planning and data analysis for decision-making. Additionally, considerations include organizational structure and layer, along with developing employee skills to match with job requirements and business needs of each location. This affects the calculation of appropriate staff costs for organizational productivity. Strategic workforce planning is required as a key performance indicator (KPI) for all units and continuously presents progress to expedite the management of workforce demand and supply, fostering balance.

4. People Capabilities and Change Management

The Company places great importance on building young talents, especially while they are still college or university students. This includes proactive recruitment and selection, as well as developing digital and technological skills to enhance competitiveness. Furthermore, fair compensation is provided to attract and retain decent and talented employees, ensuring their long-term engagement with our organization. The details of the operations in this field are as follows:

4.1 Development and Recruitment of Personnel with Future Skills

4.1.1 Talent Attraction

The company has extended our employer branding strategy from internal stakeholders to cover those outside by conveying the organizational values through activities that strengthen our organizational culture, fulfill aspiration, and instill pride in being part of our success. In 2023, the Company has placed importance on diversity, equity, and inclusion (DEI) to raise awareness among target groups and educate new generations to understand the values and priorities upheld and delivered by the Company. The primary channels include online platforms such as LinkedIn: CPF Group and Facebook: CPF Career, along with various activities such as Bootcamps, Internship and Cooperative Education Programs, and business game competitions. These initiatives enable the target and new generations to become familiar with CPF and make informed decisions in choosing CPF as their preferred employer. Detailed examples of such engagement activities are as follows:

- **CPF Bootcamp** provides opportunities for students from various educational institutions to gain professional learning experiences, through networking between universities and developing essential skills. The Company is dedicated to imparting knowledge and sharing work process experiences, including skill transfer and use of technology in farm management. We also encourage knowledge exchange between students and CPF personnel, inspiring them to showcase their potential and surpass their limitations through various activities. This program aims to cultivate decent and talented employees who can join the organization immediately after their graduation.

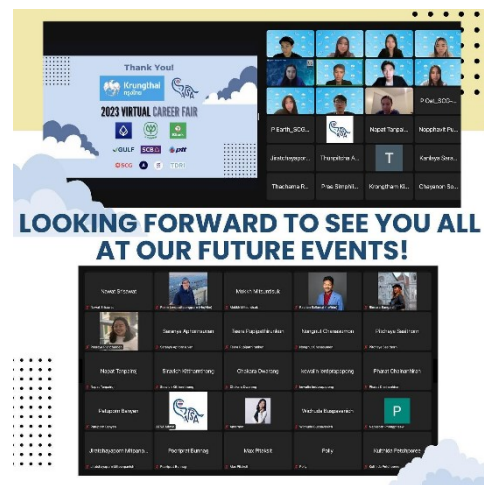


4.1.2 Talent Acquisition

The Company consistently recruits high-potential personnel in alignment with our strategic workforce planning through proactive recruitment and selection process that is fair, transparent, and standardized. We prioritize hiring a wide diversity of individuals, adhering to the principles of diversity, equity, and Inclusion (DEI), with a key focus on the potential and capabilities of our employees.

- **Recruiting Experienced Personnel and Executives:** The Company strategically recruits and selects experienced professionals to hold the executive roles, focusing on specific qualifications and expertise in that particular field, in alignment with the job requirements. Our proactive approach utilizes global standard tools, including talent mapping for key and scarce positions in the labor market and the roles that belong with the future skills of each business unit. We rigorously define job qualifications, roles, and essential skills for analyzing and identifying highly capable individuals in line with the Company's growth.
- **Recruiting the New Generation:** The Company has enhanced proactive recruitment channels through collaborations with education institutions both domestically and internationally. This includes developing courses and activities to cultivate students' potential and learning experiences, aligning with future skill

requirements and labor market demands. For instance, the "Co-Creation" project involves collaborating with educational institutions to develop high-quality curriculum improvements aimed at enhancing the knowledge, abilities, and multidisciplinary skills of students. This initiative includes nine educational institutions offering 11 courses, allowing students practical work experience in real business operations. The focus is on integrating knowledge in the four key STEM education fields (Science, Technology, Engineering, and Mathematics), which are crucial and highly demanded by the labor market. These aims are to prepare students as competent graduates, ready to apply their skills immediately. Additionally, the Company attracts potential new talents studying or residing abroad through various activities such as the "Samaggi Academic Conference and Careers Fair" held in the UK by the Samaggi Samagom Association under the Royal Patronage and the "Virtual Career Fair" organized by the Association of Thai Students in The United States of America. It is noteworthy that the Company is currently planning to extend our decent and talented employees acquisition to other countries in which it operates.



Furthermore, the Company supports the employees in referring friends to join CPF through the "Friend Referral Program", which has proven to be an efficient recruitment channel with a success rate of 3:1. The new employees referred through this program adapt well to the organizational culture, leading to increased job satisfaction and reduced turnover rates. Furthermore, it fosters a collaborative organizational culture, contributing to the recruitment of decent and talented employees in alignment with the organization's needs. In 2023, 124 employees participated in this program, accounting for 34% of new hires in Entrepreneurship Program.

4.2 People Capability Development

The Company diligently develops employees at all levels with future skills to enhance their potential (Upskill) and broaden their abilities across various areas (Reskill). This initiative is aimed at preparing personnel for the 5.0 era, with a strong emphasis on digital and technological skills from basic level, enabling the use of technology for operations, to advanced level, enabling the creation of organizational innovations. Moreover, the focus is on nurturing well-rounded

and knowledgeable employees capable of imparting and applying their skills in real-world scenarios, ensuring readiness for the rapidly evolving business landscape at present and in the future. The personnel development program is categorized into four key areas:

4.2.1 CPF Fundamental Program: In 2023, the Company mandated essential foundational knowledge related to CPF's business operations as compulsory for all employees. This program is designed to align employees with the organization's values, corporate governance, and Code of Conduct. It encompasses comprehensive understanding from upstream to downstream business processes, foundational digital knowledge, awareness of technological risks, and practical technology application in work. This includes two programs as follows:

- **New Employee Onboarding Program:** This group comprises essential basic knowledge courses necessary for work execution. It includes six courses: 1. Code of Conduct Course, 2. Sustainability Strategy Course, 3. CPF Integrated Value Chain Course, 4. Digital Literacy 100 Course: Basic Digital Knowledge, 5. Cybersecurity Awareness Course, and 6. Personal Data Protection Act (PDPA) Course.
- **Refreshing Program for Current Employees:** This program was designed to ensure accurate operations. The group comprises of six courses: 1. Code of Conduct and Anti-Corruption Policy Course, 2. Personal Data Protection Act B.E. 2562 (2019) Course (PDPA Practice and Awareness), 3. ESG Fundamental Course, 4. CPF Compliance Course, 5. Basic Risk Management Course, and 6. Be Aware of Cyber Threats Course.

In 2023, 100% of CPF employees, including workers, completed the scheduled basic knowledge courses, accumulating over 261,000 training hours.

4.2.2 Digital Skills Program: Designed to enhance employees' digital and technological knowledge and skills, this program is divided into three levels: basic level, standard level, and advanced level. It encompasses seven key skill areas: 1. Digital Essentials, 2. Digital Marketing, 3. Data Science & Data Analytics, 4. Business Innovation, 5. Digital Security, 6. Customer Centricity, and 7. Digital Technology. Each area offers more than 65 courses, supporting knowledge and skill development at all levels, enabling employees to participate based on their development needs.

In 2023, the Company continued to advance its digital knowledge and skills, focusing on standard and advanced digital capabilities. Development programs were organized for targeted employee groups, as outlined below:

- The Digital Foundation Course encompasses six essential skill groups required for work. Building on 2022's achievements, the program was expanded to cover an additional 440 target employees, particularly those whose roles require digital skills to drive organizational objectives or contribute to the Company's digital transformation projects.
- The Data Analytics Bootcamp Program was developed in partnership with leading data analytics organizations. This program, lasting three months, enhances employees' data analysis skills through a blend of three learning methods: 1. Self-Learning, 2. Hands-on Workshops, and 3. Actual Project using real business challenges. Employees who have completed the program, designated as the Data Champions within their business units, have been instrumental in generating over THB 150 million in annual business value. Additionally, the Company has extended data analysis skill development to over 500 employees through various courses such as Data Analytics Essentials, Leading with Data for Strategic Decision Making, and Advanced Excel for Business, bolstering our competitive edge and driving the Company to truly become a data-driven organization.
- The Agile and Design Thinking Bootcamp focuses on applying design thinking in work processes, creating an agile working environment, promoting collaboration within the team, and responding to changes. It emphasizes how to resolve the issues accurately and promptly to truly deliver results that align with customers' needs. This hands-on training addresses real business challenges, guided by

experts in agile and design thinking methodologies, with consultants aligning with the business issue throughout the two months. Over 350 employees have completed this program, generating over 100 million baht in annual business value. Furthermore, skill development in agile management and design thinking has been expanded to employees at all levels through courses like Agile Project Management and The Power of Design Thinking, with over 450 employees successfully completing these trainings sessions.

- The Digital Exponential Development (DED) program aims to enhance employees' proficiency in digital AI tools, including Prediction, Image Recognition, Chat Bot, and AR/VR, and Power Platform tools such as Power Automate and Power BI. This training enables employees to apply these tools effectively in their work, improving quality and speed, and propelling the organization towards becoming an AgriTech Company. The program incorporates practical workshops, Mini-Digital Hackathons with real business scenarios, mentorship throughout the program, and presentations of actual implementations. Over 400 employees have been trained, contributing significantly to the Company's Digital Transformation projects, with more than 120 digital tool application projects in progress.

4.2.3 The Managerial & Leadership Development Program focuses on enhancing leadership skills across all executive levels to bolster the organization's competitiveness in the future business landscape. The program is segmented into three target groups: 1. People Managers, 2. Management Level, and 3. Senior Management & Executive Level, with tailored learning experiences according to the unique challenges faced by each managerial level.

- **People Managers:** The People Manager course equips supervisors at all levels with fundamental people management skills, including talent selection, performance management, talent development, and feedback engagement. Supervisors must complete a self-learning before practical sessions in the People Manager Lab. In 2023, over 3,000 supervisors completed this program.
- **Management Level:** These executives play a pivotal role in aligning organizational objectives with business needs and challenges through effective team management. The "REAL Success Leader" course is designed to develop relationship-building skills within teams and collaborative efforts across departments, employee development, and attitude alignment with future leadership goals. In 2023, 156 executives participated in this program. Additionally, the "New Leader Onboarding Program" prepares newly promoted management-level executives to effectively manage teams and operations, focusing on developing leadership in the context of the Company. The total of 90 executives participates in the program in 2023.
- **Senior Management & Executive Level:** These executives are pivotal in shaping the Company's vision and the direction of the future growth, leading transformative changes for sustainable organizational growth. Consequently, the "CPF Business Transformation Program" was established in collaboration with the Sasin School of Management (SASIN). This program is designed to prepare leaders for global market competitiveness, aligning CPF leaders with the digital era and expanding business capabilities. It emphasizes leadership development in four key areas: Global Trends and Digital, Strategic, Leadership, and Organizational. This initiative aims to update leaders with global trends, foster networking, and prepare for potential future opportunities or challenges. In 2023, two classes were conducted with a total of 72 participants from various business groups.

Additionally, the Company enhances executives' financial accounting knowledge



through the Finance for Executives course, aiding efficient financial decision-making and aligning business practices with organizational goals and strategies. For senior executives, the Company encourages them to build an external networking through various programs from leading institutions in public and private sectors including Digital CEO, Capital Market Academy Executive Program (CMA), Agriculture and Cooperatives Executive Program (ACE), Directors Certificate Program (DCP) of the Thai Institute of Directors, The Executive Program in Energy Literacy for a Sustainable Future (TEA), Strategy and Innovation for Business in Asia (SIBA), TLCA Executive Development Program (EDP), and Thai – Chinese Leadership Studies Junior (TCLJ), among others.

4.2.4 Technical Skills Program: The Company is dedicated to refining job-specific, or technical skills, through technical academies established in each business unit since 2021. These academies standardize training to develop competencies matching job responsibilities and necessary skills for strategic execution to enhance business capabilities and ultimately achieve organizational goals. In 2023, CPF established 29 technical academies with 86 Knowledge management units, covering 100% of its businesses. These academies will accommodate diverse development needs of each business.

In 2023, the Company organized more than 2,000 workshops and e-Learning courses. Trainings sessions were provided to employees, with an average of 35.20 hours per person per year for staff-level employees and higher and an average of 22.91 hours per person per year for employees at all levels. This reflects an increase from the previous year.

4.3 Attractive Compensation Management:

The Company recognizes the importance of providing competitive and equitable compensation aligned with industry standards. We ensure that the compensation management approach is fair, traceable, transparent, and based on pay-for-performance. The details of managing a variety of compensation ranges are detailed as follows:

4.3.1 Compensation Management: The Company's compensation management emphasizes fairness, transparency, and performance alignment, according to compensation and benefits policy and principle. This strategy motivates and attracts decent and talented employees to join the workforce. Moreover, it drives the development of individual potential based on skills and competencies, achieved through roles and responsibilities. The process involves analyzing, comparing, and evaluating the value of jobs at different levels within the organization, utilizing international standards and well-recognized job evaluation tools and market data.

In 2023, the Company maintained a balanced average compensation between female and male employees at the non-management level, with a ratio of 1: 1.13.

4.3.2 Welfare Management: The Company has established equitable and non-discriminatory welfare and benefits management policies, as outlined in our Human Resources regulations. Our welfare schemes either meet or exceed legal requirements, supporting employees in both physical and mental health aspects preventively and by providing alleviation to enhance their quality of life and well-being. This is achieved through continuous evaluation of market data and attentive consideration of employee needs. The Company persistently reviews and adapts employee welfare to ensure suitability.

Benefits and welfare provided to employees include:

1. Customization of the annual health check-up program based on risk factors such as age, gender, nature of work, and work environment.
2. Provision of comprehensive medical welfare through collaboration with the MORDEE application, enabling employees to conveniently consult with physical and mental health experts



online anywhere, anytime. Additionally, the Company provides on-site medical facilities at factories and offices, and supports medical expenses for both employees and their families needing medical treatment in external hospitals or any places listed by the Company, which are part of our extensive welfare offerings.

3. Parental Leave for Male Employees for Newborn Care: This policy allows male employees to participate in their every significant life event.
4. Medical Emergency Loans: The Company offers financial assistance to employees or their family members during medical emergencies, alongside enhance welfare support for employees undergoing illness or childbirth to ease the financial burdens, demonstrating care for their well-being.
5. Educational Support: Scholarships are allocated for the academically successful children of employees, coupled with interest-free educational loans, aiming to enhance their educational opportunities and alleviate the financial burdens of employees and families
6. Insurance Benefits: Employees are provided with group accident and life insurance, ensuring protection against unforeseen events such as accidents, loss of organs, disability, or death.
7. Bereavement Support: the Company assists in organizing religious rites or ceremonies in each religion, arranging funeral wreaths, as well as providing financial assistance in the event of an employee's demise.
8. Disaster Relief Assistance: Financial aid is available for employees and their family members affected by disasters.

In addition, the Company actively promotes preventive health measures, including sporting activities, fitness facilities, physical and mental health training sessions, vaccinations, etc.

4.4 Performance Management and Career Progression

The Company facilitates employee growth through three primary focuses. Starting from cascading corporate and business goals to employee at all levels, then ensure that employees are having shared goals. and setting aligned Key Performance Indicators (KPIs) to organizational targets which play the most important role to create a High-Performance Organization. We believe that the key to success is to ensure that all employees hold shared common goals and have an understanding of business directions. The Company organized "Realizing the C.P. Vision" meeting to communicate business direction, vision, and mission to leaders of all business units across the world, then cascaded to individual employees. It is essential that all business units, not only Human Resources, cooperate in creating a successful performance management system. Therefore, the Company set up a PMS Change Agent, representative in each business to ensure that business directions are cascaded down properly to individuals and to exchange goal setting practices. Additionally, the company emphasizes constructive feedback for development purposes by encouraging supervisors to become People Managers with good listening skills. Focusing on giving straightforward advice that motivates employees to improve their performance and continuously increase work efficiency. They also need to be able to create good career planning along with individual development plans, which are tailored to align with career goals.

Finally, an effective performance management system is not only a mechanism to measure business outcomes but is also a tool to manage human resources efficiently. This includes talent retention through compensation management aligned with performance. Especially, a mechanism to identify high performers and provide significantly different rewards as well as support for appropriate career growth.

5. Culture and Engagement

5.1 Building a Strong Organizational Culture

The Company dedicated to advancing robust and sustainable business growth, aiming to fulfill our vision of being the "Kitchen of the World." This is accomplished through nurturing "Decent and Talented employee" grounded in six

core values, known as CPF Way, a culture upheld by all employees. The implementation framework for cultivating these values and work culture includes three elements:

- 1) Process: A systematic approach to communicate with employees, using structured formats and methodologies to disseminate knowledge, experiences, and the organizational vision comprehensively to employees at all levels.
- 2) People: The development of C.P. Ambassadors, or change-leading figures who are passionate about the organization and well-versed in their business units. These individuals serve as exemplars of the six values, contributing to positive creations and disseminating these values to both colleagues and external parties.
- 3) Platform or C.P. LOVE Application: This platform supports two-way communication, offering essential content and information to foster knowledge and efficiently gather employee feedback.

The C.P. LOVE application ensures that employees are systematically instilled with the organization's six values, from contributing to the nation, society, and the Company, aligning with the philosophy of three benefits, emphasizes quality and speed, simplification, adapt to change, innovativeness and integrity, honesty, and reciprocity. Thus, the Company established the platform to support employees' knowledge, understanding and engagement. The C.P. LOVE Platform invites employees to participate in activities, promoting a sense of unity with the Company and encompassing four dimensions under L.O.V.E:

Dimension 1 Loyalty: This dimension fosters employee unity through fact awareness and supports for the Company's products and services. It encourages adherence to "Promptly praise when do good", creating pride and a sense of belonging among both givers and receivers, ready to grow with the organization.

Dimension 2 Omnichannel Communication: This involves disseminating information, facts, and positive narratives to employees through integrated online and offline channels. C.P. Ambassadors play a key role in spreading good news internally and externally via various social network.

Dimension 3 Volunteer: The platform encourages employees to do good deeds for society and the environment through various activities. Starting from individual contributions to enhancing community and national well-being, aligning with the philosophy of three benefits.

Dimension 4 Education & Empowerment: The platform fosters the development of employees or groups who ready to be Key Opinion Leaders (KOLs) within their business units. The KOLs receive training to understand the Company's operations accurately, inspiring others and transmitting the CPF Way values to colleagues simultaneously. One C.P. Ambassador can influence over 100 fellow employees with organizational news, product information, benefits, and information related to six values continuously. Currently, there are more than 270 C.P. Ambassadors and is targeted to achieve 500 Ambassadors within 2024.

This comprehensive approach is implemented across all four dimensions through an effective communication and create participation. Starting from the recruitment process which evaluates employees' basic business knowledge and their loyalty. This has enabled to convey the Company's positive qualities through transfer of acquired knowledge and experiences as well as vision among employees at all levels, such as relevant information, engagement activities. It consists also in gathering and monitoring feedback so as to improve efficiency of operations.



5.2 Creating Employee Engagement

In 2022, the Company undertook an organizational engagement survey with a high participation rate of 97%. The survey revealed a 64% employee engagement level, a decline from the previous survey. However, the Company analyzed the survey data and developed gap closing plans to address the identified issues. A subsequent organizational engagement survey is planned for 2024, with the gap closing plans' key milestones structured into three phases:

- 1) Formation of the CPF Employee Engagement Committee (CEEC): This committee is tasked with setting goals, strategies, guidelines, and the structure of the working groups responsible for driving employee engagement at both the organizational and business unit levels. This also involves advising and supporting operations to achieve the set goals, monitoring and evaluating performance, and reporting these results to the management committee.
- 2) Establishment of working groups for enhancing engagement at the organizational and business unit levels: These groups are responsible for developing plans to enhance engagement by analyzing survey results and insights. This has led to the creation of over 140 plans covering all aspects of organizational engagement.



- 3) Development of communication plan and progress monitoring: The Company regularly tracks and communicates the progress of these engagement-enhancing plans on monthly and quarterly basis. This continuous communication is aimed at creating accurate perceptions and improving employee experiences.



Moreover, the Company persistently elevates employee engagement through the CPF@Heart project, aimed at yielding positive outcomes in both physical and mental health. The project operates comprehensively within the frameworks of the CPF We Care and CPF Love&Share with details below:

CPF We Care Program

- Care for Benefits

- Debt Restructuring Program: This program aims to strategically mitigate personal and domestic debt for employees and provides knowledge on debt management in collaboration with banks and expert agencies.

In 2023, the program reached 480 employees with 12 informative sessions.



- Educational Scholarships for Employees and their Children: Over 80 scholarships have been granted for employees and their children for further education both domestically and internationally. Over three years, 17 scholarships have been granted, with nine employees returning to contribute to the Company post-graduation by sharing their experiences and the opportunities from the Company to colleagues who are interested. Currently, six of the scholarship recipients are pursuing master's degrees and two of them are in undergraduate programs.
- Collaboration with the MORDEE Application: This partnership focuses on physical and mental health care, utilizing telemedicine for future medical treatments. This initiative enables employees to consult remotely and efficiently, with special privileges such as online medication orders, saving time and costs. The pilot MorDee Corner at C.P. Tower Silom serves as a private consultation space for employees with specialty doctors.



Furthermore, the Company arranges flu vaccines for employees and their families at special rates during epidemic seasons.



- Care for Career CPF offers opportunities for employees' self-development through internal rotation projects as a part of the "Opportunity Day" initiative. This initiative, under the concept of "Growing the Future", aims to enhance personnel capabilities by instilling diverse skills. The goal is to learn and grow alongside the organization striving to become an innovative and technology-driven company. It fosters a learning society, encouraging employees to shape their futures by embracing changes, along with CPF's six core values. Employees are motivated to step out of their comfort zones and learn new skills needed for the future, such as digital skills or other essential career growth skills, through learning channels on the "Im-Ru" platform.

- Care for Culture CPF encourages a working style that nurtures Decent and talented employees through a "Coaching and Feedback without Command" approach. This empowers opportunities for the younger generation to have decision-making power, experiment with new ideas, learn and quickly devise

problem-solving strategies. It aims to break down silos which enhance work efficiency, and reduce bottlenecks in processes, truly aligning with CPF's core values, the CPF Way.

Additionally, the Company supports the acceptance of diversity, equality, and inclusion (DEI) aligned with the Company's policies on DEI, implemented through various internal online and offline activities.

1. The "Pride Month Post", an internal online initiative, aimed to enrich employees' knowledge and understanding about the significance and history of Pride Month. This was published through multiple communication platforms including emails and the Company's social media channels including corporate Facebook and LinkedIn.



2. In the "Beyond Gender For A Better Tomorrow" activity, CPF executives engaged in the meaningful panel discussion regarding representation and rights of the LGBTQ+ community. This was conducted in collaboration with the representatives from 'Rainbow Sky Association of Thailand' and prominent LGBTQ+ artists. The objective was to generate momentum towards promoting gender equality and reducing societal disparities.



3. "CPF Spreading Pride 2023" activity: This activity, led by CPF's Chief People Officer in collaboration with the Ministry of Social Development and Human Security (MSDHS) and the United Nations Development Programme (UNDP), aims to share viewpoints, experiences, and best practices in mutual respect. This initiative strives to establish CPF towards an organization championing diversity and generating positive societal impact.



4. "Put Our Heart into Diversity" activity: This initiative encourages CPF



employees to share their perspectives on DEI, reinforcing the belief in promoting an inclusive environment. The campaign leveraged social media with the hashtag #CPFSpreadingPride, which garnered significant employee engagement.

● Care for Well-being

- Flexible Working Hours: CPF has implemented flexible working hours to nurture an appropriate work atmosphere to the diverse lifestyles of employees, tailored to the nature of their roles.
- Mental and Emotional Development and Family Relationship: CPF has implemented variety of activities that cater to the diverse needs and interests of employees, enhancing mental and emotional well-being and fostering positive family relationship. This is achieved through 19 clubs:
 - Sports Clubs: Catered to employees interested in sports, these clubs provide opportunities to play and enjoy sports together, including running, badminton, Go, cycling, and golf clubs.
 - Recreational Activity Clubs: These clubs offer activities for leisure and hobbies, such as cooking, food tasting, volunteering, and community service clubs.
 - Health and Wellness Clubs: Focusing on physical and mental health, these clubs unite members with shared interests, including the CPF Family Club, LGBTQ+ Club, and Happy Life Club.

The employee clubs also serve to be a channel through which the employees' voices can be received and taken into consideration. This results in improvement of the relevant policies and practice guidelines, which leads to betterment of the employees' quality of life through different engagement activities held in response to their interests, while strengthening the employee engagement.



CPF Love&Share Project

The Company offers various benefits and discounts on products and services from the Charoen Pokphand Group to our employees and their families as following:

- Special discount for dining at Company's restaurant business units.
- Benefits on other CPF products such as pet food.
- Special discounts on service fees and communication tools from TrueMove H network.

These initiatives demonstrate CPF's commitment to foster employee engagement. As a result, the voluntary employee turnover rate at staff levels up in 2023 was 11.57%, decreasing from that of 2022.

Conducting business through the principles of good corporate governance

CPF Code of Conduct

CPF Code of Conduct is the fundamental guiding principles on the Company's business conduct, serving as the implementation guidelines for its personnel to act in compliance with the laws, regulations, and the relevant corporate policies and standard practices. This framework is crucial for achieving success sustainably and fostering confidence among stakeholders, resulting especially in societal trust.

The Company drives its operations in accordance with the Corporate Governance and Sustainability Development Policy and CPF Code of Conduct. These principles are essential for conducting business in a direction that aligns with the strategies for sustainable growth, on the basis of fairness, accuracy, transparency, and adherence to CPF's six core values "CPF Way".

The Company has developed the contents and the implementation guidelines and continually updated them to reflect the current situations. Comprehensive training is provided to the Company's Directors, Executives, and all

employees through various communication channels, including business meetings, the Company's Website, and online platforms, such as HR-eXp, CPF Connect, and CPF Family, orientation, e-Learning programs. Employees are encouraged to appreciate and recognize another employee behaves in accordance with CPF Way, either among employees or between superiors and subordinates.

In 2023, every CPF personnel across all business units, both domestic and overseas operations received and the trainings through the "CPF Fundamental Program". This Program includes courses designed to ensure employees' conduct to align with the "CPF Way," corporate governance, and CPF Code of Conduct, along with understanding on the CPF Integrated Value Chain. A total of 115,922 employees, which was 100% of CPF employees, completed the Program.

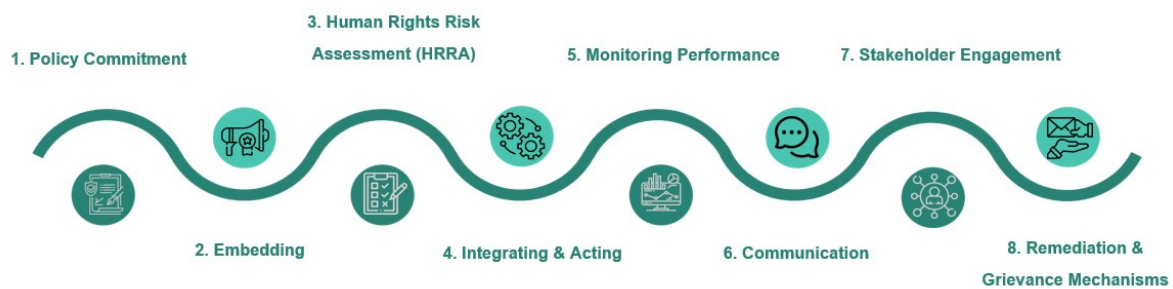
Human Rights Performance

The Company is committed to upholding human rights, ensuring that all employees and stakeholders of all groups are treated equally and fairly. This includes fostering freedom of expression, freedom of association and collective bargaining, fair compensation. Particular importance is given to vulnerable groups which enables mitigating risks related to human trafficking, forced labor, and child labor. The Company is committed to ending discrimination and harassment in all forms.

The Company adheres to and fosters respect for human rights as reflected in the Universal Declaration of Human Rights (UDHR), the United Nations' Guiding Principles on Business and Human Rights (UNGPs), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Collaborating with various sectors, the Company has placed importance in covering stakeholders of all groups. The human rights programs are developed under the Human Rights Due Diligence Framework and Process (HRDD), consisting in analysis and assessment of human rights risks, effective risk management and mitigation, along with continuous and comprehensive monitoring and reporting. The Company has also developed complaint management process to address and mitigate any potential adverse impacts in a timely manner.

Human Rights Due Diligence Framework (HRDD)

While implementing the relevant policies and raising awareness among employees as well as stakeholders across the value chains, the Company has put particular focus on management of human rights risks set out to be a key factor of its business success. Since 2016, the Company has conducted the human rights due diligence process (HRDD), comprising human rights risk analysis and assessment, efficient risk management and mitigation of human rights impacts, and continuous and comprehensive monitoring and reporting of performance.



Human Rights Due Diligence Process (HRDD)

The Company's Human Rights Due Diligence Process consists of eight steps as follows:

1. Policy and Commitment: The Company has demonstrated its commitment to promoting human rights which the Company adheres to and considers the fundamental virtue for working and living together. It has set out its relevant policies, including good labor standard practices.
2. Embedding: The human rights principle is embedded within the organization through relevant policies disseminated to its employees as well as stakeholders of all groups through a variety of channels and modules.

3. Human Rights Risk Assessment: The Company systematically and regularly conducts human rights risk assessments to identify potential adverse impacts on any stakeholders from its business operations.
4. Integrating and Acting: After identifying high-risk human rights issues (salient issues), the Company considers the efficiency of the existing mitigation measures and develops additional measures to reduce the likelihood or severity and the impacts of such human rights issues that potentially affect any stakeholders, including vulnerable groups.
5. Monitoring Performance: The Company consistently monitors and evaluates the effectiveness of existing mitigation measures, ensuring continuous improvement through stakeholder engagement strategies for efficient management and resolution of potential human rights violations.
6. Communication: The Company annually discloses its human rights performance publicly, promoting transparency in management of human rights impacts, through its sustainability reports, annual reports, and its website.
7. Stakeholder Engagement: The Company continuously analyzes and revises its stakeholder engagement processes, so as to comprehensively cover all stakeholder groups, while emphasizing the importance of their engagement through a wide array of activities and a wide range of communication channels.
8. Remediation and Grievance Mechanisms: The Company provides different channels for lodging complaints or whistleblowing, taking into account the issues in question and effective resolution, remediation, and how to improve the process to enhance efficiency.

The Company has identified the salient risks in order that the mitigation measures preventing or alleviating human rights impacts on stakeholders within the Company and across the value chains be set out. This can be achieved through the human rights risk assessments (HRRRA) that the Company has systematically and comprehensively conducted every three years. The risks assessed and the mitigation measures set out are subject to reviews annually. The salient human rights issues were identified as follows:

Company's own operations

- Employee Health and Safety
- Community Health and Safety
- Community Standard of Living, including water and sanitation
- Customer and Consumer Health and Safety
- Supplier Health and Safety

Tier-1 Suppliers

- Working Conditions
- Employee Health and Safety

In 2023, the Company reviewed the human rights risk assessment and the relevant control measures across the operations in all its business investment in the entire value chain both domestically and overseas covering 17 countries, including its employees, those of its subsidiaries and joint ventures where they have management control, and the right-holders across the value chain who are probably be violated, for instance; its business partners and contractors, local communities, customers, and consumers. Diverse groups of gender, race, religion, minorities, infirmity, as well as such vulnerable groups as the elderly, women, pregnant women, children, and youth, were also covered.

The Human Rights Due Diligence Process was publicly disclosed and accessible on the Company's Website at https://www.cpfworldwide.com/th/sustainability/social/human_rights/HRDD.pdf.

Additionally, the Company took further into consideration the salient issues previously identified from the Human Rights Risk Assessment (HRRRA) to understand the impacts of the actual risks on the right-holders by means of Human Rights Impact Assessment (HRIA). This entails evaluating the effectiveness of the control measures to ensure that they appropriately and effectively enabled the mitigation of such impacts or they are subject to further adjustment or addition.

In 2022, the Company conducted the Human Rights Impact Assessment focusing on its “employees” as a right-holder group”. The result demonstrated that the issue identified as high impact concerned safety and occupational health at workplace. The Company addressed these impacts by developing a culture of safety across the organization. Throughout 2023, its risk management plans were executed and monitored, through reinforcement of the employees’ awareness and strict adherence to the Company’s Safety and Occupational Health Policies. Intensity and frequency of training session was also enhanced for those employees required to perform their functions in high-risk areas.

Fostering safety culture has been integrated into the CPF SHE&En Standards. For instance, the Company has built strong leadership while helping them understand their roles in terms of safety and encouraging them to act as the role models for others to inspire to. Employees are given rewards to promote participation. Opportunities are provided to groups of Business Unit executives, operational employees and contractors, for them to exchange information, news, knowledge, good practices and to join such activities as safety talks and lesson-learned sessions.

Additionally, the Company organized Safety Week Exhibition, promoting safe behavior and cautious approach through the "Think Before You Act" Program, the "Helping Friends" Program and the "Behavior-Based Safety Observation" Program as well as monitoring progress, providing suggestions and creating positive motivation.

The Company also plans for the Human Rights Impact Assessment to extend and cover other right-holder groups, such as the employees in its overseas operations, migrant workers, and the employees of its business partners along the supply chain.

Policy Commitment

CPF demonstrates its unwavering commitment to operating its businesses ethically, adhering to the applicable regulations and legislation in every country where it operates. Consequently, the Company has set out the policies and good practices relevant to human rights performance across its entire business operations, its joint-ventures and its future merger and acquisition programs, both in Thailand and overseas. CPF collaborates with diverse organizations, emphasizing inclusion of all stakeholder groups. This comprehensive approach has enabled the Company to recognize and respond favorably to a wide array of expectations of diverse groups of people. These elements will be the foundation to build on for the Company’s relevant policies and implementation guidelines to be set out and put in place, so as to strive to improve its human rights performance. CPF is committed to its mission of ensure food security while creating positive impacts and benefitting communities, society, and environment. This covers both Thailand and overseas operations as well as joint ventures, driving the society as a whole to grow sustainably.

Beyond its internal operations, CPF has expanded the scope of human rights principles and performance, as well as good labor practices, to cover its business partners and suppliers across the supply chain. The Company has disseminated its human rights policies to all its business partners and suppliers, so that they acknowledge, realize and apply principles and practices to their own operations.

The Company has set out various policies and principles to be used as implementation guidelines in its management on the basis of sustainable growth, for instance:

- Corporate Governance and Sustainability Development Policy
- CPF Code of Conduct
- Corporate Social Responsibility Towards Sustainability Policy
- Employment and Labour Management Policy
- Foreign Worker Recruitment in Thailand Policy
- Non-Discrimination and Anti-Harassment Policy
- Diversity and Inclusion Policy
- Safety, Health, Environment, and Energy Vision, Mission, and Policy
- Sustainable Sourcing Policy and Supplier Guiding Principle

Embedding

With an aim to optimize its human rights performance, CPF has placed great importance to communication, in order to instill understanding and awareness among its employees at all levels in the language they understand, through various channels; for instance, posters, flyers, emails, trainings, online platforms, etc. Besides its internal communication, the Company also prioritizes its communication with the stakeholders of all groups to enhance collaboration and partnership throughout the value chain through a wide array of such channels as posters and trainings for contractors, site visits, evaluations, and online communication put in place for its business partners, etc.



In 2023, all employees of every business unit of CPF had been given training on human rights-related courses; for



instance, “CPF Code of Conduct” (that 100% of the trained employees acknowledged, agreed, adhered to and complied with), “CPF Corporate Compliance,” “Anti-Corruption,” “Conflict of Interest,” “Personal Data Protection (PDPA),” “ESG Fundamental,” and “Basic Risk Management”, etc. Through continuous communication on a variety of topics, CPF emphasizes the importance of its employees’ adherence to good corporate governance and its Rules and Regulations.

Concurrently, CPF has successfully disseminated its Sustainable Sourcing Policy and Supplier Principles to all its suppliers. All critical Tier-1 suppliers of the raw materials for manufacture of animal feed and other raw supplier groups have acknowledged their commitment to complying with the Policy in writing.

The relevant forms can be consulted via the following links:

1. Letter of Acknowledgement and Compliance with CPF Code of Conduct:
https://www.cpfworldwide.com/en/sustainability/policy/code_of_conduct_en.pdf
2. Letter of Acknowledgement and Compliance with CPF Sustainable Sourcing Policy and Supplier Guiding Principle:
https://www.cpfworldwide.com/en/sustainability/policy/sourcing_policy.pdf

In addition, in 2023, CPF signed the Memorandum of Understanding (MOU) with the Labour Protection Network Foundation (LPN) for the sixth consecutive year, focusing on developing understanding and heightening awareness among its Thai and migrant employees on human rights principles and labor rights that they are entitled to in accordance with the Labor Protection Act, as well as the international labor standards. In 2023, 10 training sessions of three hours each were organized over 300 new employees covering CPF operational sites across the Country, 75% of whom were migrants. Pre- and post-training assessments demonstrated a significant increased understanding among the trained employees, from an average score of 82 before training to 93.

Employment and Labor Practices

CPF has clearly set out the relevant policies and practices related to its labor management. The policies have been implemented rigorously and continuously in compliance with legislation on the principles of respecting diversity, ensuring equal treatment, fostering inclusion, prohibiting discrimination, special treatment, or unfair deprivation, and combatting all forms of harassment.

The Company complies with the legislation on minimum age for employment, strictly prohibiting child labor and ensuring no youth workers engages in hazardous work harmful to their health and personal development. It firmly opposes all forms of forced labor and shall not ask for money or retain the employees’ personal and identity documents. CPF ensures that wages and compensation, including overtime-pay, are paid in a timely manner and in compliance with the legal requirement. The normal working hours and overtime hours shall not exceed those required by law. The Company shall

promote, support, maintain and continuously improve and create a safe working environment, preventing potential impacts on health of employees and those other concerned.

CPF promotes equal treatment for all its employees regardless of race, skin color, gender, religion, or political beliefs, etc., while preventing any misconduct and protecting them against violations throughout the Employee Life Cycle. This includes recruitment and selection, employment, development, performance evaluation, compensation, transfers, and exit, along with the implementation guidelines in case of encountering discrimination issues. The Company has considered and determined the processes and procedures for receiving, investigating, deliberating and verdict.

Particular attention is given to the Company' pregnant female employees, ensuring appropriate assignment of their work and workload, as per legal requirements. The Company provides lactation or breast-milk pressing rooms and has also extended paternity leave benefits for its male employees.

Additionally, CPF prepares its nearly-retired employees through a variety of activities, focusing on physical and mental wellbeing. This includes tips on enjoying good health, on savings and financial placement, and skill development for future vocational or avocational stability.

Migrant Workers Recruitment

The Company has recruited and employed its migrant workers under the Memoranda of Understanding (MoU) that Thailand and its neighboring countries' had signed and agreed on sending labor into Thailand. It entails recruiting migrant workers as its direct employees through the legally-certified labor agencies in both the sending countries and Thailand as the host country, ensuring accurate and transparent recruitment process, as well as related costs. More importantly, Once employed by CPF, the migrant workers are subject to fair and equal treatment as the Thai co-workers.

CPF has set out a rigorous measure to assess, select and audit its labor recruiting agencies, ensuring legal compliance and the criteria; for instance, the requirement to provide the job-seekers with the Company's information including the nature of work, work environment, wages and benefits, before they enter into the recruitment processes.

The Company has borne the recruitment-related fees and expenses, while migrant workers are responsible for their own personal expenses in the home country.

Moreover, CPF has conducted a post-arrival verification process to ensure that the recruitment processes are accurate and transparent, as well as in compliance with the requirements. This approach enables the Company to take appropriate corrective actions against any non-compliances that occurred in a timely manner.

As part of its post-arrival verification process, the Company has set out a random sample of the newly-employed migrant workers according to the international formula used to calculate the sample-size. The 2023 verification exercise revealed there had been no non-compliances in the recruitment and employment processes of migrant workers. Also, the responsibility of each party in the recruitment fees and related costs complied with the Company's policies and implementation guidelines put in place.

Diversity and Inclusion Management

CPF is committed to equal treatment for all its employees, fostering an inclusive work environment with mutual respect in regards to diversity and co-existence, while ensuring no discrimination and combats any forms of harassment. The Company has adopted and applied these principles to all its employees, both in Thailand and overseas operations.

Across its business investments in 17 countries with a workforce over 100,000 employees globally, CPF embraces the principle of diversity in terms of race, religion, beliefs, social status, etc. It also covers its stakeholders throughout the value-chains, including the communities, suppliers, customers, consumers, business partners and the Civil Society Organizations (CSOs). CPF has therefore attached great importance to promoting and protecting human rights through integrating respect for diversity and differences into its corporate culture. This commitment includes equal treatment, protection of vulnerable groups, fostering inclusivity, and building on knowledge and experiences in human rights practices across a wide array of sectors through the personnels' Individual Development plans with an aim to cultivate a culture of lifelong learning.

Grievance Mechanism and Remediation

The Company emphasizes the importance of putting in place the channels through which concerns and complaints can be lodged and managed. The grievances are either from the employees whose rights are directly violated or from those who witnessed a misconduct against the law or the Company’s Code of Conduct and acted as whistle-blowers. The Company has set out its clear, accurate and transparent implementation guidelines for complaint management in alignment with international standards. This systematic management approach enables the enhancement of the Company’s efficiency and effectiveness as well as further improvement in management.

In 2023, the Company, in partnership with the Labour Protection Network Foundation (LPN), signed a Memorandum of Understanding for the sixth consecutive year, with the set-up of the “Labour Voices Hotline by LPN”, a channel for the employees to voice their opinions and feedbacks. The Hotline platform is operated by a neutral organization and it accessible in all languages spoken by the Company’s employees, which are Thai, Cambodian, and Myanmar. This enables the Company to realize all the employees’ concerns and complaints and to address them efficiently, resulting in a determined standard practices on the basis of equality and in effectively preventing such issues as illegal labor, bonded labor, forced labor, child labor, and human trafficking that could arise during the migrant worker recruitment and employment processes, as well as other forms of harassments.

The Company disseminated “Labour Voices Hotline by LPN” posters in four languages, namely Thai, English, Myanmar, and Cambodian, and encouraged employees to contact LPN for assistance with queries, complaints, whistleblowing or any personal matters, ensuring their comfort and confidence.



Poster in Thai / English



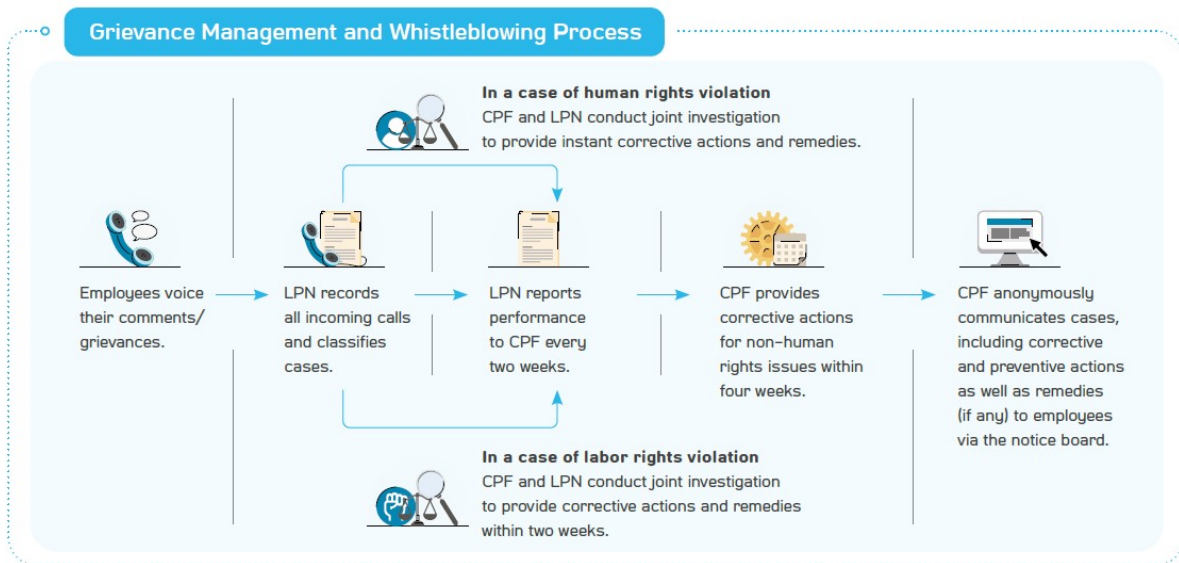
Poster in Myanmar / Thai



Poster in Cambodian / Thai

Posters communicating Labour Voices Hotline by LPN

The complaint and whistleblowing management processes through “Labour Voices Hotline by LPN” are undertaken as follows:



Grievance Management Process by “Labour Voices Hotline by LPN”

As for the process of receiving and managing cases through "Labour Voices Hotline by LPN", calls are logged and categorized as follows.

- In case of human rights violations, the Company, in collaboration with LPN, is to investigate and a remediation is to be provided immediately.
- In case of violation to labor rights, investigation and remediation must be put forward within two weeks.
- In other cases, solutions are to be completed within four weeks.

In 2023, the Company managed seven cases received through the "Labour Voices Hotline by LPN". Five of the reported cases concerned the miscommunication and misunderstanding or expression of concerns. For instance, an employee had a feeling of doubt that a job rotation or transfer was a disciplinary action against him / her, whereas in reality, the Company intended that he / she had more opportunity to learn about a new job in a new work environment for his / her career growth. Another case demonstrated an employee's feeling of doubt that there were unfair practices or discrimination in the Company's disciplinary process. The investigation, however, revealed that the actual facts had been contradictory to such the claim. The Company reinforced the communication that it put out so as to increase and improve understanding among employees.

The other two cases were related to improper verbal expression and misconduct of workers against their peers. The Company proceeded to questioning, investigating and taking appropriate disciplinary action in accordance with its Work Rules & Regulations. In addition, it reinforced its communication and its awareness raising campaign on the right practices among all its employees, so that the Company's Code of Conduct be adhered to and that there be no reoccurrence of such cases.

It is noteworthy that, throughout 2023, there was no case of violation to human rights reported from our stakeholders across its entire operations.

As part of CPF-LPN partnership, LPN organized eight Dormitory meet-and-greets at CPF migrants' residential quarters in 2023, through engagement with them while gathering feedbacks and listening to their expectations, which resulted in improved employees' well-being. Furthermore, such visits have enabled LPN to look out for any red-flagged indicators of those migrant workers who might have fallen victim to bonded labor or forced labor or exploitations of any kinds.

Support for Vulnerable Groups in Society

Support for People with Disabilities

The Company cultivates an inclusive organizational culture, embracing diversity with equal treatment for all. This includes caring equally for the well-being of employees across various demographics and vulnerable groups, as well as hiring disabled employees from socially disadvantaged backgrounds. This providing them with opportunities to utilize their professional skills and achieve financial stability. Since 2017, the Company has been in compliance with disability employment laws, collaborating with the government to offer disabled individuals public service roles in their communities. In addition to creating career opportunities, the Company also imparts skills and knowledge to disabled employees through initiatives such as layer raising training and trainings programs covering disability rights, social security funds, compensation funds, and workplace safety. We aim to enhance the capabilities of disabled individuals both in the workplace and daily lives.

In 2023, in accordance with Section 33 of The Empowerment of Persons With Disabilities Act aimed at promoting and improving the quality of life for people with disabilities in employment, the Company has employed 717 disabled individuals as permanent employees and provided support to public benefit corporations including schools, hospitals, temples, subdistrict administrative organizations, and municipalities. This exceeds the legal ratio of normal to disabled individuals at 100:1, reaching 18 people. Disabled individuals are recruited through two approaches: 1. Hiring 188 disabled individuals for office roles, such as accounting and administration. 2. Hiring 529 disabled individuals for community roles, such as school assistants, temple and sub district health promotion hospital, and for the 'Raising Layer for Student Lunches' project. Moreover, CPF has provided one space concession in our factories for disabled individuals to sell products according to Section 35 and hired the Thai National Wheelchair Basketball Team.

The Company's efforts extend beyond employment, encompassing continuous monitoring of the living and working conditions of disabled employees through community visits and phone interviews. This reflects our commitment to social responsibility, striving to enhance the well-being and equality for socially disadvantaged individuals.

Education Support for Thai Youth



The company realizes that education is a crucial foundation for national development and acknowledging that there are still many youths who lack educational opportunities due to inequalities, the Company is committed to enhancing educational standards and addressing disparities. This commitment is demonstrated through our ongoing collaboration with the Foundation for the Future of Education or CONNEXT ED since 2016, now in its 8th year. Our efforts focus on promoting both academic learning and practical experience. Currently, CPF is supporting over 302 schools in 354 projects across four provinces: Nakhon Ratchasima, Chaiyaphum, Buriram, and Saraburi. Moreover, we've expanded our project scope in the first semester of the 2023 academic year to include over 77 additional projects.



Our school development plans involve database system enhancements and improved management of educational institutions, alongside the development of administrators and teachers. We are dedicated to elevating education in three areas: academic, intelligent agriculture, and vocational, tailored to meet local needs. Through the School Partner: SP initiative, the Company is actively collaborating with schools and communities to achieve these goals.

Leveraging our extensive business experience, knowledge, and expertise, various projects have been enforced to enrich students' learning. These include 1. Academic project: focus on student participation through Active Learning, 2. Smart agriculture project: increase productivity and manage farms efficiently by applying technology systems, 3. Professional projects: develop vocational skills for future careers alongside earning extra income through the Kid Coffee Shop.



In 2023, our supported schools have achieved remarkable success, receiving over 21 awards at provincial, regional, and national levels. Furthermore, the Company is committed to elevating school quality across five aspects: student, community and social engagement, teacher and administrator development, curriculum and teaching, and infrastructure. Our goal is that 80% of the schools we support will be rated as "good".

Welfare Committee in the Workplace

The Company emphasizes inclusivity of its employees so as to foster positive working relationships - indivisible of nationality, religion, or gender - without discrimination, while promoting a harmonious work environment. To support this, CPF has encouraged its employees to represent their co-workers and to sit in the Welfare Committee at Workplace. The Welfare Committee is in charge of receiving and gathering the employee's feedbacks and suggestions, which are used to discuss with the Management with an aim to improve the welfare which the employees can all enjoy. The Company holds the Welfare Committee election in a transparent manner, with both candidates and voters at the ballot having freedom of choice.

The Company has taken into consideration any issues received through the Welfare Committee in the Workplace and proceeded to improving the welfare benefits, work environment and efficient labor management. CPF has set out the number of committee members to be in appropriate proportion with the number of employee at one given operational facility, which is higher than the number of five members as per legal requirements, but not to exceeding 17 members. In

addition, the Welfare Committee in the Workplace is determined to cover such diverse groups of gender, nationality, religion and disability. Short of such vulnerable groups sitting in the Welfare Committee after the election, the Company shall put in place a Welfare Sub-Committee to ensure such diversity in the Committee. Such the practices demonstrate the Company's commitment to including all employees of all groups at all levels and to encouraging them to express themselves, speak out, give suggestions or lodge concerns and complaints, so that all these elements can lead to improvement of welfare benefits for all employees equally.

In 2023, 82.9% of the Company's employees across its Thailand operations benefited from improved welfare benefits deriving from discussions and solutions from the Welfare Committee mechanism. Currently, there are 171 committees with 985 sitting members, comprising 810 Thai and 175 migrants (82.2% Thai, 17.8% migrants); 536 females and 449 males (54.4% females, 45.6% males); and 925 Buddhists and 60 of other faiths (93.9% Buddhists, 6.1% others).

Employee Relations Management

The employee relations management is one of the key mechanisms that the organisation put in place in order to foster good relationships between the Company and its employees. In this regard, it adheres to the principles of transparency, fairness, and accountability in how its employees are to be treated, in alignment of its practices on the applicable legal framework and standards. Respect for human rights is emphasized as the fundamental ethical principles, ensuring non-discrimination across all employee levels regardless of race, religion, gender, skin color, age. Any forms of threats or intimidation are not tolerated in any cases. This includes sexual, non-sexual or any forms of physical harassment, and verbal or non-verbal abuses. In its operational context, the Company ensures that all employees and stakeholders are treated, protected, and respected equally and fairly. This consists in its goods and products offered to consumers deriving from good and fair labor practices in accordance with Thai laws and human rights principles.

However, the Company does not terminate employment unfairly or unjustifiably. In case of a reported misconduct against the Company's Rules and Regulations in a severe charge, a thorough investigation is conducted while providing the employee with an opportunity to clarify. An investigation team is subjected to be appointed, comprising of representatives from various departments to gather facts and evidence. Upon concluding investigations, the Disciplinary Committee, comprising the Company's senior executives appointed by authorized persons, is to review the findings. The investigation and deliberation processes are meticulously aligned with the labor law, rules and regulations, orders, and the past Supreme Court labor case judgments, which ensures prudence and non-retaliation. This commitment reinforces the employees' confidence in our equal treatment to all employees, with the sole focus on the facts of each and every case.

The Prestigious Human Resources Management Awards serve as a testament to our success, driven by a consistent commitment to excellence in our operations.

The Company was honored with the "Human Rights Award 2023" at the Outstanding level in the large business category for the third consecutive year, presented by the Rights and Liberties Protection Department, Ministry of Justice of Thailand. This recognition acknowledges the integration of human rights principles throughout our value chain and



stakeholder engagement. The Company has also established policies and operational plans for human resources management comprehensive internal and external, substantially extending these practices to our business

partners and the society.

The Company was awarded “The Investors in People Awards 2023” in “The Award for Learning and Development” category, the Company is recognize with exceptional human resources development strategy under the “Lifelong Learning” concept. We are dedicated to creating enriching work experiences and positioning ourselves as a learning organization as well as ensuring the well-being of employees throughout their career journey with CPF. This commitment is achieved through the Technical Academy and Knowledge Management (KM), enhancing the value of every employee and driving sustainable organizational growth and delivering organizational values to the society.



The Company was honored with “Thailand HR Innovation Award 2023” (Silver Award) for the “The Next CEO: Agile@Scale” project. This project effectively integrates human resources management across all processes. The Company encourages the new generation to innovate through engaging in real business which aims for swift and impactful results throughout the organization under the “Agile@Scale” initiative.

In recognition of our commitment to people with disabilities, the Ministry of Social Development and Human Security of Thailand awarded us for the seventh consecutive year as an “Outstanding Organization Supporting People with Disabilities” at the Excellent level. This honor reflects the Company’s continuous and systematic support for people with disabilities and vulnerable groups by fostering equality, creating employment opportunities, and ensuring life stability self-dependency and happiness within society. It contributes to the continuous enhancement of self-esteem, reduction of social inequalities, and supports disabled person to live proudly.



The Company was awarded the “Asia Sustainability Reporting Awards (ASRA) for Human Rights”, Bronze Class, from CSRWorks International, a non-profit organization in sustainability in Singapore. This award underscores our commitment to comprehensive and transparent sustainability reporting, with a focus on human rights throughout the value chain.

Our fair and equitable treatment of Cambodian workers has been recognized by the Cambodian Cabinet. We were awarded a “Certificate of Honor for the Organization of Treating Cambodian Workers Equally” by the Cambodian Embassy, acknowledging our commitment to managing foreign labor efficiently, respecting human rights, hiring and providing equitable benefits equitably, and contributing to a stable and dignified life for employees.



Employees’ Well-being, Health, and Safety

The Company has policies to ensure employees’ good health and safety at work by providing age-based health checkup programs and health-related activities and retain employee engagement through various clubs. The Company supervises the occupational health and safety at work according to its Safety, Health, Environment, and Energy (SHE&En) standards. The Company also conducts risk identification contributing to accidents at work and provides relevant training for employees to raise awareness of accident prevention.

Management Approach

- Establishing occupational health and safety management system and policy in accordance with international standards as well as governing the occupational health and safety at work according to standards on Safety,

Health, Environment, and Energy or CPF SHE&En Standard, which aligns with ISO45001 Safety Management System

- Training and communicating on occupational health and safety, policies, rules, and specific regulations to employees and contractors in order to raise awareness and understanding of safe operations
- Enhancing stakeholder engagement in safety management and setting up safety committees with representatives from both executives and employees to consider plans, take feedbacks, and improve risk control measures
- Managing risks to reduce accidents and occupational diseases at work by identifying risks and developing standards to prevent hazards and reduce risks
- Promoting care for well-being for employees and arranging various activities based on their needs for good physical and mental health and working performance



Building safety culture in the organization to create the cooperation to reduce accidents (Nong Chok Food Manufacturing Plant in Thailand)



Training on how to assist an unconscious person in preparation of social support (Tanjung Langsat Animal Feed Plant in Malaysia)



The inspection of the Fire Suppression System (Phu Kham Animal Feed Plant in Laos)



Fire drill evacuation for employees preparedness for emergency (Trok Chan Office in Thailand)

Community Support and Development

The Company develops and supports the community and the society, which are the Company's key stakeholders, by collecting their needs and expectations and developing corresponding projects in order to address social, environmental, and economic dimensions. The Company's goal is to enhance their well-being and the environment through participation in activities with business units. The approaches are as follows:

Management Approach

- The announcement of policy and commitment to conduct business with social responsibility while enabling sustainable growth
- The collaboration with stakeholders to acknowledge needs and expectations as inputs to community development approach
- The support and encouragement of employees to utilize their knowledge for community support contributing to positive impacts to the society and the environmental.
- The collaboration with relevant stakeholders in the value chain to mutually develop communities and societies.

Economic dimension

The Company supports income generation for communities and society to enable sufficient and sustainable livelihood through employees' knowledge and the Company's expertise across various projects. The Company emphasizes on promoting and sharing successful projects to partnership network, along with laying the project foundation to further skills and income for the communities, e.g. contract farming for smallholders and Five-Star entrepreneurs, etc.

Social

The Company supports vulnerable groups, such as people with disabilities, to ensure fundamental rights and good development to live in the society. The Company promotes learning for students to reduce educational inequality, good health and living for the elderly, and quality of life for the community and society. Projects are, e.g. "CPF Elderly Care" Project, CONNEXT ED for the eighth consecutive year, etc.

Remark: The sustainability performance 2023 is disclosed in the Sustainability Report 2023



More information of the sustainability performance 2023 is available in the Sustainability Report 2023



4. Management Discussion and Analysis

4.1 Changes in accounting policies

There were no changes in accounting policies during 2023.

4.2 Performance

The following financial performance analysis is the analysis of financial information in accordance with the Company's consolidated financial statements of the year ended December 31, 2023.

4.2.1 Performance Analysis

Overview of operating performance for the years 2022 and 2023

Unit : THB Thousand	2022	2023	Change
Revenue from sale of goods	614,196,968	585,844,121	(28,352,847)
Gross profit	81,872,940	61,200,949	(20,671,991)
Gross profit margin	13.3%	10.4%	(2.9%)
Distribution and administrative expenses	(55,000,802)	(55,875,387)	(874,585)
Gains on changes in fair value	1,410,753	724,149	(686,604)
Finance cost	(20,357,997)	(25,506,493)	(5,148,496)
Income tax expense	(6,002,934)	(600,302)	5,402,632
Share of profit of associates and joint ventures	3,745,244	4,590,349	845,105
Gains on sale of investments and dividend income	2,613,321	7,890,922	5,277,601
Gains on changes in fair value of investment properties	1,765,975	0	(1,765,975)
Profit (loss) for the year attributable to equity holders of the Company	13,969,553	(5,207,348)	(19,176,901)
Net profit (loss) margin for the Company	2.3%	(0.9%)	(3.2%)

Performance by business for the year 2022 and 2023

	2022		2023		Change
	THB Thousand	%	THB Thousand	%	
1. Thailand Operation	224,355,723	37%	221,254,606	38%	-1%
1.1 Domestic	191,206,117	31%	186,359,829	32%	-3%
Feed	49,387,730	8%	51,836,396	9%	5%
Farm and processing	112,986,827	18%	104,079,481	18%	-8%
Food	28,831,560	5%	30,443,952	5%	6%
1.2 Export	33,149,606	6%	34,894,777	6%	5%
Feed	61,453	0%	126,331	0%	106%
Farm and processing	9,370,162	2%	8,567,539	1%	-9%
Food	23,717,991	4%	26,200,907	5%	10%
2. Overseas operations	389,841,245	63%	364,589,515	62%	-6%
2.1 Vietnam	124,634,299	20%	116,053,412	20%	-7%
Feed	37,874,713	6%	33,677,747	6%	-11%
Farm and processing	78,999,539	13%	74,562,129	13%	-6%
Food	7,760,047	1%	7,813,536	1%	1%
2.2 China	36,795,225	6%	39,549,034	7%	7%
Farm and processing	25,357,430	4%	25,888,372	5%	2%
Food	11,437,795	2%	13,660,662	2%	19%
2.3 Other countries	228,411,721	37%	208,987,069	35%	-9%
Feed	58,797,037	10%	51,360,592	8%	-13%
Farm and processing	112,972,422	18%	105,004,743	18%	-7%
Food	56,642,262	9%	52,621,734	9%	-7%
Total sales Revenue	614,196,968	100%	585,844,121	100%	-5%
Other Revenue	9,232,351		13,844,596		
Total revenue	623,429,319		599,688,717		-4%

- Thailand operation

For the year ended December 31, 2023, Thailand operations had sales revenue of THB 221,255 million (accounted for 38% of total sales revenue), a decrease of 1% from 2022, mainly from the farm and processing business. This decrease was due to the much lower swine price than in 2022, which resulted from the illegal pork import, causing an oversupply of pork in Thailand. On the contrary, revenue from the livestock feed business increased from both in quantity and price, and revenue from food business increased from higher selling price of exported chicken products.

- Overseas operation

For the year ended December 31, 2023, international operations had sales revenue of THB 364,589 million (accounted for 62% of total sales revenue), a decrease of 6% from 2022. This decrease was primarily attributed to the swine business in Vietnam, where prices decreased compared to 2022, as well as in many other countries where swine prices decreased as well. In addition, the Company's India operating had a decrease in sales due to lower animal feed sales and lower selling price of broiler.

Gross profit for the year ended December 31, 2023 was at THB 61,201 million, a decrease of 25% from 2022, mainly due to a decrease in swine prices on average by approximately 15% from 2022. Most of the decrease were from Thailand, Vietnam and, Cambodia. In particular, the price in Thailand decreased by approximately 31% from the previous year due to the illegal import of pork, causing the domestic price of swine to become lower than production cost. Another factor was due to production costs, including the price of raw materials for animal feed production and higher energy costs, as well as the overall economic situation that had affected purchasing power in various countries, resulting in the inability to adjust the prices in response to increased costs. As a result, the gross profit margin in 2023 was at 10.4%, a decrease from 13.3% in 2022.

Changes in the fair value of biological assets for 2023 saw a gain of THB 724 million, a decrease from 2022 with a gain of THB 1,411 million, a decrease of 49% , mainly due to changes in the fair value of swine in Thailand.

Finance costs for 2023 were THB 25,506 million, an increase of 25% from 2022, mainly due to an increase in global interest rates.

Income tax expense for 2023 was THB 600 million, a decrease of 90% from 2022 following lower profit before income tax expense.

Share of profit from associates and joint ventures in 2023 was THB 4,590 million, an increase from 2022, which was THB 3,745 million, mainly due to better performances of most of associates, especially CPALL, and profits from disposal of investments in associates abroad.

The Company recognized a profit from loss of control of the Company amounted to THB 2,675 million, arising from CP Food Investment Limited, a subsidiary had sold investments in 4 companies that operate integrated chicken business in China.

Due to the aforementioned reasons, the Company had a net loss attributable to the Company for 2023 of THB 5,207 million, a decrease from the previous year with a net profit of THB 13,970 million.

4.3 Financial Status**(1) Assets**

As of December 31, 2023, the Company's total assets amounted to THB 887,218 million, consisting of current assets of THB 209,116 million, property, plant and equipment of THB 265,144 million, long-term investments of THB 272,548 million, goodwill of THB 60,188 million, and others THB 80,222 million.

Total assets decreased from the end of 2022 by THB 39,769 million or 4% decrease due to following reasons:

- A decrease in cash and bank deposits by THB 6,814 million, mainly due to repayment of long-term loans from financial institutions and interest payments

- A decrease in inventories by THB 13,572 million, mainly due to lower stock of animal feed raw materials
- A decrease in property, plant and equipment by THB 11,520 million, mainly due to the sale of 4 subsidiaries that operate integrated chicken business in China

(2) Liabilities and Shareholders' Equity

As of December 31, 2023, the Company's total liabilities amounted to THB 602,185 million, consisting of trade and other payables of THB 36,527 million, interest-bearing liabilities (excluding lease liabilities) of THB 479,748 million, lease liabilities of THB 35,364 million and others in the amount of THB 50,546 million.

Total liabilities decreased from the end of 2022 by THB 24,959 million, or 4% decrease due to trade and other payables decreasing in the amount of THB 14,437 million, from the sale of 4 subsidiaries that operate integrated chicken business in China. Interest-bearing debt (excluding lease liabilities) decreased by THB 5,302 million as of December 31, 2023. Shareholders' equity amounted to THB 285,033 million, a decrease of THB 14,810 million from the end of 2022, or 5% decrease, mainly from operating losses and loss on foreign currency translation of financial statements.

(3) Asset Management

As of December 31, 2023, the Company had account receivable-trade and others of THB 42,351 million, with an allowance for expected losses of THB 1,244 million, accounted for 2.9% of account receivables-trade and others. The management has established a control policy to consider credit risk regularly by analyzing the financial position of every customer requesting a credit limit and considering other factors that may affect the customer's credit risk. This includes the risk of default associated with the industry and the country in which the customer operates.

As of December 31, 2023, the Company had inventories of THB 69,508 million, consisting of raw materials of THB 35,017 million, finished goods of THB 22,464 million, and others of THB 12,716 million. The Company has an allowance for reduction in product value of THB 689 million, accounted for 1.0% of total inventories.

(4) Liquidity and capital adequacy

As of December 31, 2023, the Company had a decrease in cash flow of THB 3,538 million, with cash and cash equivalents at the end of the period amounted to THB 24,404 million, a decrease of 17% from the end of the same period in 2022, with cash flow in each activity as follows:

- Cash flow from operations amounted to THB 35,360 million from earnings before interest, taxes, depreciation and amortization (EBITDA)
- Cash flow spent on investments amounted to THB 19,616 million, mostly from investments in property, plant and equipment
- Cash flow spent on financing activities amounted to THB 19,282 million, mainly from interest payments

As of December 31, 2023, interest-bearing debt (excluding lease liabilities) consisted of loans from financial institutions and bills of exchange in the amount of THB 276,361 million, debentures in the amount of THB 203,130 million, and others in the amount of THB 257 million. Long-term loans and debentures due within 1 year equal to THB 48,014 million.

As of December 31, 2023, the Net Debt to Equity Ratio calculated according to the criteria specified in the terms and conditions of debenture issuer and debenture holder of all debentures that have not yet been redeemed is as follows:

(unit: times)	Net Debt to Equity Ratio	
	Consolidated financial statements	Separate financial statements
Debentures issued before CPF debenture No. 2/2013 ¹⁸	1.54	0.92
CPF debenture No. 2/2556 and CPF debenture No. 2/2018 ¹⁹	1.54	N/A
CPF debenture No. 2/2556 and CPF debenture No. 2/2018 ^{20/21}	1.54	N/A

As of December 31, 2023, the total debt to equity ratio was 2.11 times, an increase from the end of 2022 with a ratio of 2.09 times, while the ability to repay decreased. The interest-bearing debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratio as of December 31, 2023 was 10.58 times, an increase from the end of 2022 with a ratio of 7.93 as a result of a decrease in performance in 2023. The debt service coverage ratio as of December 31, 2023 was at 0.25 times, a decreased from the end of 2022 which was at 0.35 times, due to lower performance in 2023 and an increase in interest-bearing liabilities due in 1 year.

In addition, the Company's current liquidity ratio according to the consolidated financial statements is 0.81 times, a decrease from the end of 2022, which was 0.87 times, due to a decrease in current assets from cash and cash equivalents, with a cash cycle of 51 days, higher than the previous year, which was at 47 days.

The Company has sufficient liquidity for operations, ability to repay and compliance with loan conditions.

4.4 Capital expenditures in 2024

Capital expenditures for 2024 for Thailand and overseas operations totalled THB 20,000 million (excluding capital expenditures for mergers and acquisitions). However, the capital expenditures may be adjusted according to changing circumstances.

4.5 Dividend payment

The Board of Directors' meeting held on February 27, 2024 passed a resolution approving the omission of dividend payment for the year 2023. In this regard, the Board of Directors shall propose such dividend payment omission to the Annual General Meeting of Shareholders No. 1/2024 which will be held on April 24, 2024 for further approval.

4.6 Events after the reported period

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%.

CPF offered the subscription of debentures No. 1/2024, unsubordinated and unsecured with debenture holder representative, for THB14,000 million during February 22 - 23 and February 27, 2024.

4.7 Factors affecting future performance

Regarding the performance trend in 2024, the Company still expects economic challenges, including purchasing power not having a clear sign of growth in many countries. Others include challenges in the industry, especially regarding the illegal import of swine into Thailand and nearby countries. However, the Company has adjusted its operations strategy to be in line with the current situation. With consideration of weakening prices of raw materials used in the production of

¹⁸ Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements and not exceed 1.15:1.00 for separate financial statements. The ratio is calculated based on the information provided in the financial statements for the accounting periods ended on June 30 and December 31 of each accounting period that the auditor has reviewed or audited, as the case may be. For the purposes of this calculation, net debt = total interest-bearing liabilities from financial institutions, bills of exchange, and debentures only excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

¹⁹ Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements. The calculation is based on the information contained in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited. For the purposes of this calculation, net debt = total interest-bearing liabilities excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

²⁰ Excluded perpetual subordinated bond

²¹ Net debt to equity ratio not exceed 2.00:1.00 for consolidated financial statements. The calculation is based on the information contained in the consolidated financial statements for the accounting period ending on December 31 of each accounting period that the auditor has audited. For the purposes of this calculation, net debt = total interest-bearing liabilities from financial institutions, bills of exchange, and debentures only excluded liabilities under financial lease agreements - cash and cash equivalents and current investments

animal feed in the world market and the sale of some investments in China in the past year, the Company expects to have better performance in 2024 than previous year.

Although the Company has systematic measures to manage risks that affect the Company's operations, according to the guidelines specified in Section 1 Business Operations and Performance, Topic 2. Risk Management, to be at an acceptable level, it is still possible that the implementation of established risk management measures may not be effective enough to mitigate risk to an acceptable level, resulted in performance not meeting the expectation, due to uncontrollable external factors, such as outbreaks of newly emerging diseases or economic problems on the macro level.

4.8 Sustainability Development

The Company places a great deal of importance on sustainable development. In 2023, the Company identified 7 key areas of sustainability: 1. Food security, 2. Human rights and labor practices, 3. Employees and communities, 4. Water management, 5. Climate change management, 6. Biodiversity and ecosystems, and 7. Corporate governance principle, risk management, and compliance. The 7 sustainability issues cover the 3 fundamental elements of sustainable development (economic, environmental, and social) which are essential components for sustainability development. The Company has therefore implemented various activities, guided by its sustainability guidelines which include:

Economic

The Company gives priority to economic development. This includes good corporate governance, business conducting, transparent disclosure and risk management covering all activities. In addition, the Company has a mission to establish food security (Food Security), use technology and innovation in food production (Innovation), including producing food safety, create access to food through product distribution and prices.

Details of the development of corporate governance can be found in Section 8 Major Implementations of Corporate Governance.

Environment

The Company conducts business with consideration to environmental impacts and implements projects to restore biodiversity inside and outside the workplace. The Company has undertaken numerous environmental activities, including a water management strategy to increase the efficiency of water use within the organization, setting corporate net-zero emissions targets, and responsible sourcing operations by bringing raw materials from areas without deforestation. Details of various environmental development activities can be found in Section 3 Driving Business towards Sustainability and the Sustainability Report 2023.

Social

The Company places great importance on social development, particularly in the field of human rights, labor practices and human resource management, including the development and support of the community. Details of various development actions can be found in Section 3 Driving Business towards Sustainability and the Sustainability Report 2023.



4.7 Key Financial Information and Ratio

(A) Consolidated Statements of financial position of CPF and its subsidiaries as of December 31, 2021, 2022 and 2023

	As of December 31,					
	2021		2022		2023	
	THB thousand	%	THB thousand	%	THB thousand	%
Cash and cash equivalent	36,686,058	4	32,949,705	4	26,135,884	3
Accounts receivable - trade and others	38,470,747	5	43,220,606	5	42,351,035	5
Inventories	73,431,469	9	83,080,346	9	69,508,151	8
Current biological assets	47,955,121	6	54,538,803	6	55,064,952	6
Other current assets	20,006,836	2	19,429,666	2	16,055,566	2
Total current assets	216,550,231	26	233,219,126	25	209,115,588	24
Long-term investments	265,874,049	31	272,054,789	29	272,548,089	31
Investment properties	6,409,161	1	7,934,300	1	7,951,164	1
Property, plant and equipment	228,852,703	27	276,663,734	30	265,143,594	30
Right-of- use assets	34,663,569	4	35,881,634	4	35,497,259	4
Goodwill	60,816,718	7	62,766,519	7	60,187,906	7
Other intangible assets	13,649,484	2	13,457,689	1	13,240,432	1
Non-current biological assets	9,958,123	1	12,236,149	1	12,072,598	1
Other non-current assets	8,470,351	1	12,773,240	1	11,461,222	1
Total non-current assets	628,694,158	74	693,768,054	75	678,102,264	76
Total assets	845,244,389	100	926,987,180	100	887,217,852	100
Overdrafts and short-term borrowings	70,991,804	8	94,753,369	10	86,426,945	10
Bills of exchange	17,964,321	2	20,686,554	2	58,310,380	6
Accounts payable – trade and others	44,371,714	5	50,963,728	5	36,527,046	4
Current portion of long-term debts	43,503,896	5	71,038,469	8	53,332,383	6
Other current liabilities	27,096,239	3	29,535,544	3	24,866,464	3
Total current liabilities	203,927,974	24	266,977,664	29	259,463,218	29
Long-term debts	330,700,572	39	332,080,592	36	316,785,354	36
Provision for employee benefits	9,556,316	1	9,149,572	1	9,316,347	1
Other non-current liabilities	11,707,838	1	18,935,807	2	16,619,838	2
Total non-current liabilities	351,964,726	42	360,165,971	39	342,721,539	39
Total liabilities	555,892,700	66	627,143,635	68	602,184,757	68
Total equity	289,351,689	34	299,843,545	32	285,033,095	32

(B) Consolidated statements of income of CPF and its subsidiaries for the years ended December 31, 2021, 2022 and 2023

	2021		2022		2023	
	THB thousand	%	THB thousand	%	THB thousand	%
Revenue from sale of goods	512,704,44	97	614,196,968	97	585,844,121	98
Gains on investments	2,387,910	-	2,553,196	-	7,878,753	1
Gain from swap investment with shares	7,849,399	1	-	-	-	-
Others	6,017,921	1	6,679,155	1	5,965,843	1
Total income	528,959,67	100	623,429,319	100	599,688,717	100
Cost of sale of goods	446,814,837	84	532,324,028	85	524,643,172	87
Loss (Gains) on changes in fair value of biological assets	2,381,443	0	(1,410,753)	-	(724,149)	-
Selling and administrative expenses	50,601,762	10	55,476,716	9	56,784,141	10
Finance costs	16,596,049	3	20,357,997	3	25,506,493	4
Total expenses	516,394,09	98	606,747,988	97	606,209,657	101
Share of profits of associates and joint venture	4,166,804	1	3,745,244	1	4,590,349	1
Profit before income tax	16,732,390	3	20,426,575	3	(1,930,591)	-
Income tax expense	2,653,632	1	6,002,934	1	600,302	-
Profit for the year	14,078,758	2	14,423,641	2	(2,530,893)	-
Non-controlling interests	(1,050,499)	-	(454,088)	-	(2,676,455)	-
Profit (loss) for the year attributable to equity holders of the Company	13,028,259	2	13,969,553	2	(5,207,348)	(1)

(C) Consolidated Statements of comprehensive income for the years ended December 31, 2021, 2022 and 2023

(Unit : THB thousand)	2021	2022	2023
Profit (loss) for the year	14,078,758	14,423,641	(2,530,893)
Other comprehensive income (loss) for the year, net of income tax	25,261,998	33,508,166	(16,217,975)
Total comprehensive income for the year	39,340,756	47,931,807	(18,748,868)
Non-controlling interests	(6,912,525)	(1,420,833)	(2,311,768)
Total comprehensive income (loss) for the year attributable to equity holders of the Company	32,428,231	46,510,974	(21,060,636)

(D) Consolidated statements of cash flows for the years ended December 31, 2021, 2022 and 2023

(Unit : THB thousand)	2021	2022	2023
Net cash provided by operating activities	6,420,220	33,543,502	35,360,104
Net cash used in investing activities	(22,705,244)	(25,723,277)	(19,616,019)
Net cash used in financing activities	(5,743,508)	(12,858,251)	(19,282,474)
Net decrease in cash and cash equivalent	(22,028,532)	(5,038,026)	(3,538,389)
Cash and cash equivalents at the beginning of the year	54,406,515	32,285,883	29,526,669
Effect of exchange rate changes on the balances held in foreign currencies	2,907,900	(721,188)	(1,584,560)
Cash and cash equivalents at end of year	35,285,883	29,526,669	24,403,720

(E) Key financial ratios of the consolidated financial statements of CPF and its subsidiaries

	2021	2022	2023
Liquidity ratios			
Current ratio ²² (times)	1.06	0.87	0.81
Quick ratio ²³ (times)	0.38	0.29	0.27
Cash flow liquidity ratio ²⁴ (times)	0.03	0.14	0.13
Accounts receivable turnover ²⁵ (times)	14.54	14.65	13.33
Collection period ²⁶ (days)	26	25	28
Finished goods turnover ratio ²⁷ (times)	25.49	24.42	22.22
Finished goods turnover ²⁸ (days)	15	15	17
Inventory turnover ratio ²⁹ (times)	7.01	6.71	6.80
Inventory turnover ³⁰ (days)	53	55	54
Accounts payable turnover ³¹ (times)	11.65	11.17	11.99
Payable period ³² (days)	32	33	31
Cash Cycle ³³ (days)	47	47	51
Profitability ratios			
Gross profit margin ³⁴ (%)	12.85	13.33	10.45
Operating profit margin ³⁵ (%)	3.05	4.39	1.08
Other income to total income ³⁶ (%)	2.55	1.61	2.10
Cash to profit ³⁷ (%)	41	124.40	556.96
Net profit margin ³⁸ (%)	2.66	2.31	(0.42)
Return on Equity ³⁹ (%)	6.33	5.90	(2.10)
Operating Efficiency ratios			
Return on assets ⁴⁰ (%)	1.75	1.63	(0.28)
Return on fixed assets ⁴¹ (%)	16.53	15.00	5.61
Asset turnover ⁴² (times)	0.66	0.71	0.66

²² Current ratio = Total current assets / Total current liabilities

²³ Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities

²⁴ Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities

²⁵ Accounts receivable turnover = Net sales / Average accounts receivable - trade and others

²⁶ Collection period = 365 / Accounts receivable turnover

²⁷ Finished goods turnover ratio = Cost of sale of goods / Average finished goods

²⁸ Finished goods turnover = 365 / Finished goods turnover ratio

²⁹ Inventory turnover ratio = Cost of sale of goods / Average inventory

³⁰ Inventory turnover = 365 / Inventory turnover ratio

³¹ Accounts payable turnover = Cost of sale of goods / Average accounts payable

³² Payable period = 365 / Accounts payable turnover

³³ Cash cycle = Average collection period + Inventory turnover - Payable period

³⁴ Gross profit margin = Gross profit / Net sales

³⁵ Operating profit margin = Operating profit / Net sales

³⁶ Other income to total income = Non-operating profit / Total income (excl. share of profits of associates and joint venture)

³⁷ Cash to profit = Cash flow from operation / operating profit

³⁸ Net profit margin = Net profit / Total income (excl. share of profits of associates and joint venture)

³⁹ Return on equity = Net profit attributable to equity holders of the Company / Average shareholders' equity

⁴⁰ Return on assets = Net profit / Average total assets

⁴¹ Return on fixed assets = (Net profit + Depreciation) / Average fixed assets

⁴² Asset turnover = Total income (excl. share of profits of associates and joint venture) / Average total assets



	2021	2022	2023
Leverage ratios			
Debt to equity ^{/43} (times)	1.92	2.09	2.11
Interest coverage ^{/44} (times)	3.39	3.13	1.96
Debt service coverage ^{/45} (times)	0.42	0.35	0.25
Net debt to equity ^{/46} (times)	1.73	1.85	N/A
Net debt to equity ^{/47} (times)	1.33	1.44	1.54
Net debt to equity ^{/48} (times)	N/A	N/A	1.54
Net interest-bearing debt to equity ^{/49} (times)	1.61	1.74	1.81
Dividend payout ^{/50} (%)	41.96	45.04	-
Interest-bearing debt to earnings before interest, income tax expense, depreciation and amortization ^{/51} (times)	8.33	7.93	10.58
Bill of exchange to interest-bearing debt ratio ^{/52} (times)	0.04	0.04	0.11
Debt matured in 1 year to total interest-bearing debt ^{/53} (%)	28.82	36.21	38.50
Loan from financial institution to interest-bearing debt ^{/54} (%)	43.09	48.06	42.33
Debt issuance to interest-bearing debt ^{/55} (%)	49.30	44.74	50.75
Other interest-bearing debts to interest-bearing debt ^{/56} (%)	7.61	7.20	6.92
Net debt to earnings before interest, income tax expense, depreciation and amortization ^{/57} (%)	7.67	7.43	10.04
Loan from financial institution to total debt ^{/58} (%)	36.01	39.89	36.21

^{/43} Debt to equity = Total liabilities / Total shareholders' equity

^{/44} Interest coverage = Earnings before finance cost, income tax, depreciation and amortization / interest expenses

^{/45} Debt service coverage = Earnings before finance cost, income tax, depreciation and amortization / (interest-bearing + debt matured in 1 year)

^{/46} Net debt to equity = Net debt / Total shareholders' equity whereby Net debt means total debt - cash and cash equivalents + guarantee to any persons or juristic persons excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities (according to Terms of rights and duties of an issuer and debenture holders of debentures for CPF debentures No. 1/2011, No. 2/2011 and No. 2/2012. However, Bondholders' Meeting No. 1/2023 on December 15, 2023 resolved to approve the change in the definition for calculating the said net debt to equity ratio from the fiscal year 2023 onwards)

^{/47} Net debt to equity = Net debt / Total shareholders' equity whereby Net debt means total interest-bearing liabilities excluded liabilities under financial lease agreements - cash and cash equivalents and current investments (according to Terms of rights and duties of an issuer and debenture holders of debentures for CPF debenture No. 2/2013 until No. 2/2018)

^{/48} Net debt to equity = Net debt / Total shareholders' equity whereby Net debt means total interest-bearing debt - cash and cash equivalents + guarantee to any persons or juristic persons excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities (according to Terms of rights and duties of an issuer and debenture holders of debentures for CPF debenture No. 1/2011, No. 2/2011 and No. 2/2012 from the fiscal year 2023 onwards and No. 1/2020 and debentures issued thereafter)

^{/49} Interest-bearing debt to equity = Total interest-bearing debt / Total shareholders' equity

^{/50} Dividend payout = Dividend paid / Net profit attributable to equity holders of the Company according to the Company's consolidated financial statements

^{/51} Interest-bearing debt to earnings before finance cost, income tax expense, depreciation and amortization = Total interest-bearing debt / Earnings before finance cost, income tax, depreciation and amortization

^{/52} Bill of Exchange to interest-bearing debt ratio = Bill of Exchange / Total interest-bearing debt

^{/53} Debt matured in 1 year to interest-bearing debt = (short-term interest-bearing debt + long-term interest-bearing debt due within 1 year)*100 / Total interest-bearing debt

^{/54} Loan from financial institution to interest-bearing debt = (Overdraft + loan from financial institution + debt from trust receipts)*100 / Total interest-bearing debt

^{/55} Debt issuance to interest-bearing debt = (Debentures + bill of exchange)*100 / Total interest-bearing debt

^{/56} Other interest-bearing debts to interest-bearing debt = (Lease liabilities + borrowing from related parties) / Total interest-bearing debt

^{/57} Net debt to earnings before finance cost, income tax expense, depreciation and amortization = Net debt / Earnings before finance cost, income tax expense, depreciation and amortization whereby net debt means total interest-bearing debts - cash and cash equivalents

^{/58} Loan from financial institution to total debt = Loan from financial institution / Total debt

**5. General Information****5.1 Company Information**

Company name	: Charoen Pokphand Foods Plc. ("CPF")		
Business	: Agro-industrial and Food in Thailand and Overseas		
Head office	: 313 C.P. Tower, Silom road, Silom, Bangrak, Bangkok 10500 Thailand		
Registration number	: 0107537000246		
Telephone number	: 66-2-766-8000	(Operator)	
:	: 66-2-766-8352 and 8354	(Company Secretary Office)	
	: 66-2-766-8322 and 8353	(Investor Relation and Capital Market Office)	
Facsimile number	: 0-2638-2139		
Website	: http://www.cpfworldwide.com		
E-mail	: csoffice@cpf.co.th	(Company Secretary Office)	
	: iroffice@cpf.co.th	(Investor Relation and Capital Market Office)	

Companies which CPF holds more than 10%

Details are shown in Investment of CPF Group under Part 1, item 1. Structure and Business Operation

References**(1) Share Registrar**

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek road,
Dindaeng, Bangkok 10400 Thailand
Telephone number 66-2-009-9999
Facsimile number 66-2-009-9991

(2) Bond Registrar and Bondholders' Representative***CPF debentures No. 2/2012 Series 3 due 2032***

Bond registrar	Agent and Securities Service Department, TMB Bank Plc., 3000 Head Office Building, 5A floor, Phahonyothin road Chompol, Chatuchak, Bangkok 10900 Thailand Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270
Bondholders' representative	Agent and Securities Service Department, Bank of Ayudhya Plc. 1222 Rama 3 road, Bangpongpan, Yannawa, Bangkok 10120 Thailand Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

CPF debentures No. 1/2011 Series 3 due 2041 with debentureholders' early redemption right and No.2/2011 due 2041 with debentureholders' early redemption right

Bond registrar and	Securities Service Department, Bangkok Bank Plc.
Bondholders' representative	Treethip Building, 1 st floor, Silom road, Silom, Bangrak, Bangkok 10500 Thailand Telephone number 66-2-636-5696 Facsimile number 66-2-230-1893

CPF debentures No. 1/2016 Series 2 due 2024 and Series 3 due 2031

Bond registrar	Registrar 1, Siam commercial Bank Plc., Head Office 17 th floor, Zone B&C 9 Ratchadaphisek road, Chatuchak, Chatuchak, Bangkok 10900 Thailand Telephone number 66-2-795-7996-7
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**CPF debentures No. 2/2015 Series 2 due 2025 and Series 3 due 2027**

Bond registrar Agent and Securities Service Department, TMB Bank Plc.,
3000 Head Office Building, 5A floor, Phahonyothin road
Chompol, Chatuchak, Bangkok 10900 Thailand
Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270

CPF subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No. 1/2022, No.1/2022 Series 1 due 2026, Series 2 due 2028 and Series 3 due 2030, subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No. 1/2023

Bond registrar and Agent and Securities Service Department, Bank of Ayudhya Plc.
Bondholders' representative 1222 Rama 3 road, Bangpongpan,
Yannawa, Bangkok 10120 Thailand
Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

CPF debentures No. 1/2018 Series 1 due 2025 and Series 2 due 2028, No. 2/2018 Series 3 due 2024, Series 4 due 2028 and Series 5 due 2030, No.1/2020 Series 1 due 2024, Series 2 due 2024, Series 3 due 2027, Series 4 due 2027, Series 5 due 2032 and Series 6 due 2035, No.1/2021 Series 1 due 2026, Series 2 due 2028, Series 3 due 2031 and Series 4 due 2033

Bond registrar and Registrar 1, Siam commercial Bank Plc.,
Bondholders' representative Head Office 17th floor, Zone B&C
9 Ratchadaphisek road, Chatuchak, Chatuchak, Bangkok 10900 Thailand
Telephone number 66-2-795-7996-7

(3) Auditor for the Year 2023

1. Mrs. Munchupa Singsuksawat C.P.A. (Thailand) No. 6112
2. Mr. Charoen Phosamritlert C.P.A. (Thailand) No. 4068
3. Miss Sawitree Ongksirimemongkol C.P.A. (Thailand) No. 10449

KPMG Phoomchai Audit Ltd.

Empire Tower, 48th-50th floor
1 South Sathorn road, Sathorn, Bangkok 10120 Thailand
Telephone number 66-2-677-2000 Facsimile number 66-2-677-2222

5.2 Other Information**Foreign Holding Limit**

CPF shares are free to transfer unless otherwise such transfer cause the alien being shareholder of CPF more than 40% of the total number of shares sold.

Aliens may acquire shares of CPF exceeding the proportion as specified in the first paragraph of CPF Articles of Association by subscribing the newly issued shares offered by CPF or exercising the conversion right or purchase option of newly issued shares if such alien holds the convertible debenture and/or warrant and/or other securities which provide the said right to the holder of securities issued and offered by CPF (including dividend shares or shares issued for shareholders who acquire such share(s) by subscribing the share or exercising the right under the preceding paragraph), provided that the said acquisition shall, when including the proportion of alien in the first paragraph, not cause the proportion of shares held by Aliens exceeding 49% of the total issued and sold shares at such time. Such limitation shall apply to aliens who acquire the new share by subscribing the new shares issued and offered by CPF from increasingly of the share capital or by exercising the conversion or purchase option of the security holder mentioned in this paragraph (including dividend shares or shares issued for shareholders who acquire such share(s) by subscribing the share or exercising the right under this paragraph) to any alien in every stage of transfer until such shares are transferred to any person who is not an alien.

As of March 13, 2024, the latest record date, there were 23.87% of CPF issued shares held by foreign investors.



5.3 Legal Disputes

The Company only involved in disputes from the normal operation and no disputes with an amount of claim exceeds 5% of shareholder' equity as of December 31, 2023. Moreover, the Company has not involved in any disputes which have significantly affect the Company's operation but the assessment whereof cannot be quantified in numbers or disputes not caused by normal operation and circumstances.

5.4 Financial Institutions with Regular Contacts

- | | |
|--|---|
| 1. Bangkok Bank Plc.
333 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Telephone number 0-2231-4333
Facsimile number 0-2231-4742 | 2. Kasikornbank Plc.
400/22 Phahon Yothin Road, Sam Sen Nai,
Phaya Thai, Bangkok 10400 Thailand
Telephone number 0-2470-3099
Facsimile number 0-2544-7969 |
| 3. Krung Thai Bank Plc.
35 Sukhumvit Road, Klongtoey Nuer,
Wattana, Bangkok 10110 Thailand
Telephone number 0-2255-2222
Facsimile number 0-2256-8800 | 4. TMB Bank Plc.
3000 Phahonyothin Road Chompol,
Chatuchak, Bangkok 10900 Thailand
Telephone number 0-2299-1111
Facsimile number 0-2299-2568 |
| 5. Siam Commercial Bank Plc.
9 Ratchadaphisek Road
Chatuchak, Bangkok 10900 Thailand
Telephone number 0-2544-5740
Facsimile number 0-2544-7969 | 6. Bank of Ayudhya Plc.
1222 Rama 3 Road, Bangpongpan,
Yannawa, Bangkok 10120 Thailand
Telephone number 0-2296-4776
Facsimile number 0-2296-4866 |



Charoen Pokphand Foods Public Company Limited

Part 2
Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance and Sustainable Development Policy and Practices

The Company's Corporate Governance and Sustainable Development Policy has been formulated based on the principles of sustainable business operations aimed at generating benefits for the nation, people, and the Company according to the three-benefit principles of Charoen Pokphand Group. Along with adherence to good corporate governance principles, the Company has embraced the guiding principles of H.M. King Bhumibol Adulyadej the Great's Sufficiency Economy Philosophy as a framework for conducting business. Additionally, the Company has undertaken a comprehensive study of frameworks and operational guidelines for sustainability, encompassing criteria, principles, and concepts in corporate governance and sustainable development, both at the national and global levels.

<p>Securities and Exchange Act B.E. 2535 (1992)</p>	<p>Public Limited Companies Act, B.E. 2535 (1992)</p>	<p>Notifications and regulations Issued by the Securities and Exchange Commission</p>	<p>Corporate Governance prepared by the Organisation for Economic Co-operation and Development or OECD</p>
<p>Corporate Governance Code for Listed Company or CG Code 2017 issued by the Securities and Exchange Commission</p>	<p>Notifications and regulations issued by the Stock Exchange of Thailand</p>	<p>Corporate Governance Report prepared by the Thai Institute of Directors or IOD</p>	<p>Self-Evaluation Tool for Countering briber developed by the Private Sector Collective Action Coalition against Corruption including personal management according to anti-corruption measurement</p>
<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA Dow Jones Sustainability Indices under a collaboration between S&P Global and SAM, specialist in sustainability investment</p>	<p>The Ten Principles of the United Nations Global Compact covering human rights, labour, environment and anti-corruption</p>	<p>17 Sustainable Development Goals or SDGs</p>	<p>FTSE4Good Index by FTSE Russell, England, is one among leading sustainability indices that assess the environmental, social and governance operating performance</p>
<p>Carbon Disclosure Project Standards or CDP covering 3 subjects i.e., climate change, water management and forest</p>	<p>MSCI ESG by MSCI ESG Research is a collector of sustainability data of listed companies under MSCI All Country World Index</p>	<p>Taskforce for Climate-related Financial Disclosures or TCFD</p>	<p>Paris Agreement an international treaty on climate change which Thailand as one of the parties that ratified this Agreement</p>
<p>ASEAN Corporate Governance being support by ASEAN Capital Markets Forum And Asian Development Bank (ADB)</p>			

The Company is committed to fostering **food security** by creating shared value across all sectors, with a focus on sustainability in a society characterized by integrity, transparency, and fairness for all stakeholders. With a commitment to generating economically appropriate returns (Economic), the Company concurrently focuses on maintaining environmental sustainability (Environment) and creating shared value within the surrounding community (Social).

The Company places great importance on implementing the principles and practices outlined in its Corporate Governance and Sustainable Development Policy, considering it a collective mission of the board, management, and employees. To ensure adherence, the Company has established a robust system for **evaluating performance in line with relevant policies and regulations, with assessment results reported to the Board of Directors annually**. Furthermore, the Company actively fosters a culture of **continuous learning regarding corporate governance and sustainable development at all levels of its workforce**. This includes regular training sessions covering fundamental sustainability knowledge (ESG) and corporate governance principles, coupled with assessments to gauge comprehension. To reinforce commitment, Key Performance Index (KPIs) have been set for all employees, mandating training to ensure understanding of their roles and responsibilities in advancing the Company's sustainable growth objectives. This comprehensive approach is designed to instill ethical business practices and heighten awareness, thereby mitigating the risk of inappropriate actions or behaviors during operations.

The Company's **Corporate Governance and Sustainable Development Policy** is structured into 5 sections, aligning with the principles of corporate governance set forth by the Organization for Economic Cooperation and Development ("OECD Principle"). These sections encompass a total of 12 relevant core policies⁵⁹. (The policies and practices related to corporate governance and sustainable development has outlined in the 56-1 One Report 2023 in the Attachment 5 and the Company's official website at <https://www.cpfworldwide.com/en/governance>.)



The **Board of Directors** serves as representatives of the shareholders, obligated with overseeing the Company's operations to ensure compliance with relevant laws, objectives, and articles of association of the Company. This includes resolutions of the shareholder meetings, as well as overseeing and ensuring the organization and its executives operate in alignment with the approved strategies, plans, and goals for the fiscal year as determined by the Board of Directors. This oversight encompasses both

Board Responsibilities



economic, social and environmental aspects, with consideration for the balanced benefits to the Company and various stakeholder groups under the three main strategic directions: sustainable growth, aiming for excellence, and building solid foundation. In conjunction with cultivating an organizational culture based on the Company's values, known as the "CPF Way", the Board of Directors also acknowledges 4 of the fiduciary duties to be exercised with. These duties consist of (1) the Duty of Care, involving responsible and vigilant performance of duties; (2) the Duty of Loyalty, encompassing honest and loyal conduct to preserve the interests of the Company, shareholders, stakeholders, and the stability of the country's financial system; (3)

⁵⁹ Consists of 1. Conflict of Interest Policy, 2. Anti-corruption Policy, 3. No Gift Policy, 4. Sustainability Policy, 5. Code of Conduct for Business Partners, 6. Supply Chain Management Policy, 7. Human Rights and Labour Practices Policy, 8. Whistle Blowing Policy, 9. Personal Data Protection Policy, 10. Occupational Safety and Health Policy, 11. Information Management Policy, and 12. Anti-money Laundering Policy

the Duty of Obedience, adhering to laws, objectives, regulations, resolutions of the Board of Directors, and decisions made at shareholder meetings; and (4) the Duty of Disclosure, ensuring accurate, complete, transparent, and timely disclosure of information.

The Board of Directors has taken proactive steps to solidify the foundational structure of governance by establishing robust systems for Enterprise Risk Management, Internal Control, Compliance with relevant standards, Cyber Security Management, and Internal Audit. These measures aim to create a system of checks and balances in the execution of operations, ultimately supporting the Company in achieving success in alignment with its operational objectives. Furthermore, the Board of Directors diligently monitors the outcomes of these operational aspects according to approved annual plans and goals. Additionally, they assess the appropriateness of the Company's financial structure to ensure alignment with the organization's strategy and associated risks.

Roles of Board of Directors



Define goals



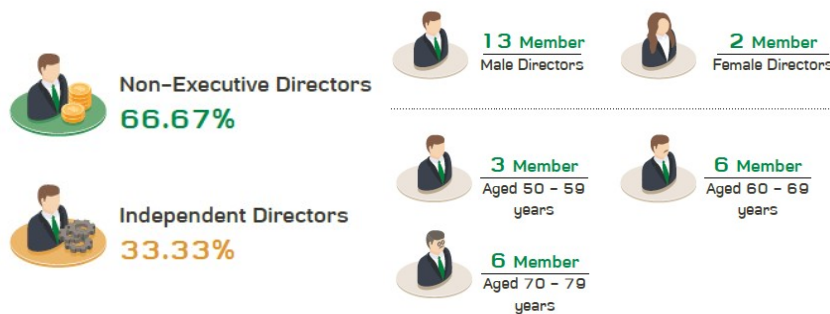
Govern business operations



Evaluate, monitor & disclose

Composition of the Board of Directors

The Board of Directors is structured with a total of 15 members, comprising 10 non-executive directors and 5 executive directors, representing 66.66% and 33.33% of the total board members, respectively. Among these members, 5 are independent directors (accounting for 33.33% of the total board and 50.00% of the non-executive directors). The independent directors remain independent from the management, facilitating unbiased discussions, exchanging opinions, and making decisions during board meetings. Their independence extends to proposing meeting agendas and supporting the participation of senior executives, ensuring the board receives comprehensive feedback and recommendations.



In addition, the Company places significant emphasis on the diversity of skills, knowledge, and abilities among its directors, ensuring a broad spectrum of expertise through the Board Skills Matrix. Moreover, diversity in terms of ethnicity, nationality, gender, and age is carefully considered in determining the composition of the Board of Directors. This approach aims to cultivate efficient operational practices and harness diverse perspectives. Presently, the Board of Directors comprises 2 female members, accounting for 13.33% of the total board. These members are Mrs. Vatchari Vimooktayon, an independent director, and Mrs. Arunee Watcharananan, a non-executive director. Additionally, the age range of the directors spans from 50 to 79 years, reflecting an effective diversity to ensure that the Board benefits from a range of perspectives, contributing to informed decision-making and strategic direction.

The information and details related to the Company's directors are presented in the Attachment 1 (Details of Directors, Executives, Company Secretary and Bookkeeper).

CPF Board Skills Matrix																		
	Other Business/Industries				Accounting/Finance			Others										
	Agro/Food	Health/ Science	Retail/ Wholesale	International Trade	Business Management	Finance/ Accounting	Economic	Corporate Governance & Sustainability	Risk Management	International Relationship	Management	Marketing	Human Resources Management	Tax	Business Laws	Research & Development	Internal Audit	Information Technology & Cyber Security
1. Mr. Soopakij Chearavanont	•		•	•	•		•	•	•	•	•	•						•
2. Mr. Phongthep Chiaravanont	•	•		•	•		•	•			•					•		
3. Mr. Suphachai Chearavanont	•		•	•	•	•		•	•		•	•	•		•	•		•
4. Mr. Adirek Sripratak	•	•	•	•	•	•	•	•	•	•	•	•	•			•		
5. Mr. Rungson Sriworasat			•		•	•	•	•	•			•		•	•		•	
6. Professor Dr.Kittipong Kittayarak								•		•	•		•		•			
7. Mrs. Vatchari Vimooktagon			•		•	•	•	•	•					•	•			
8. Mr. Vinai Vittavasarnvej					•	•	•	•	•		•							
9. Mr. Sek Wannamethee				•			•	•		•			•		•			
10. Mrs. Arunee Watcharananan	•				•	•	•	•	•		•		•	•	•			
11. Mr. Prasit Boondoungprasert	•	•	•	•	•	•	•	•	•		•	•	•		•	•		•
12. Mr. Siripong Aroonratana	•	•	•		•		•	•	•		•	•				•		
13. Dr. Sujint Thammasart, D.V.M.	•	•			•			•	•		•					•		
14. Mr. Paisan Chirakitchareern	•		•	•	•	•	•	•	•		•			•	•			•
15. Mr. Montri Suwanposri	•		•	•	•	•		•	•	•	•	•	•				•	•

The Board of Directors adopts a proactive approach by scheduling annual board meetings in advance, typically at the end of the preceding year. This enables each director to allocate time accordingly to ensure attendance. However, in instances where significant agendas arise, necessitating additional meetings, the Chairman of the Board has the authority to convene special meetings as deemed necessary and appropriate. In accordance with legal requirements and best practices, advance notice of these meetings is provided to all directors, ensuring they have ample time for preparation and attendance.



February	March	April	May
June	August	November	December

In the year 2023, the Board of Directors held a total of 8 meetings. Additionally, the non-executive directors convened a meeting specifically addressing overall management matters, conducted without the presence of the management, on one occasion. Looking ahead to the year 2024, the annual Board of Directors meetings are scheduled to take place in the months of February, March, May, June, August, November, and December.

Board of Directors Meeting in 2023 **8 Meetings**

The Company's Board of Directors has appointed specialized subcommittees to assist in enhancing the efficiency of the board's duties. These subcommittees comprise individuals with knowledge, expertise, and experience in their respective

Sub - Committees

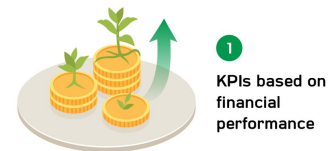


domains. Their role is to aid in the examination, screening of objectives, and formulation of operational guidelines within their designated areas before presenting them for the board's approval. The subcommittees include: (1) Audit and Risk Management Committee, responsible for internal audit, control, and risk management; (2) Corporate Governance and Sustainable Development Committee; (3) Remuneration and Nomination Committee; (4) Technology and Cybersecurity Committee; and (5) Executive Committee.

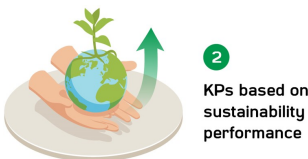
Chief Executive Officer is appointed by the Company's Board of Directors and entrusted with the crucial responsibility of managing the Company's operations. Chief Executive Officer's primary role is to steer the organization towards the achievement of its objectives, vision, strategy, and goals as approved by the board. Additionally, Chief Executive Officer is tasked with ensuring that all business activities are conducted in a manner that maximizes benefits for all stakeholders, maintaining fairness and integrity throughout. Chief Executive Officer possesses the authority to approve and undertake any operations deemed necessary within the normal course of the Company's business.

The Company's Board of Directors conducts an annual evaluation of the Chief Executive Officer's performance. This evaluation is conducted to facilitate the consideration of compensation determinations based on key performance index, falling into two main categories.

1. Financial indicators such as revenue, market capitalization, profitability, including EBITDA margin, Return on Equity and net profit margin, etc., and



2. Sustainability performance indicators include: (1) Evaluation results in sustainability and corporate governance by external organizations such as Dow Jones Sustainability Indices, FTSE4Good Index, MSCI ESG, and surveys on the corporate governance of listed companies, and (2) Performance results in achieving organizational sustainability goals, including the creation of employee commitment to the organization (Employee Engagement).



The Chief Executive Officer's remuneration consists of salary, annual bonus and variable compensation based on actual performance.

Furthermore, the Company has taken proactive steps to integrate sustainability principles into its operations by establishing **working groups** focused on various aspects of sustainability, encompassing the economy, society, and the environment. These working groups play a pivotal role in supporting different functions within the organization to ensure alignment with the Company's sustainability goals. Detailed information about the sustainability-related working groups is presented in the Sustainability Report for the year 2023, on page 13.

Rights of Shareholders

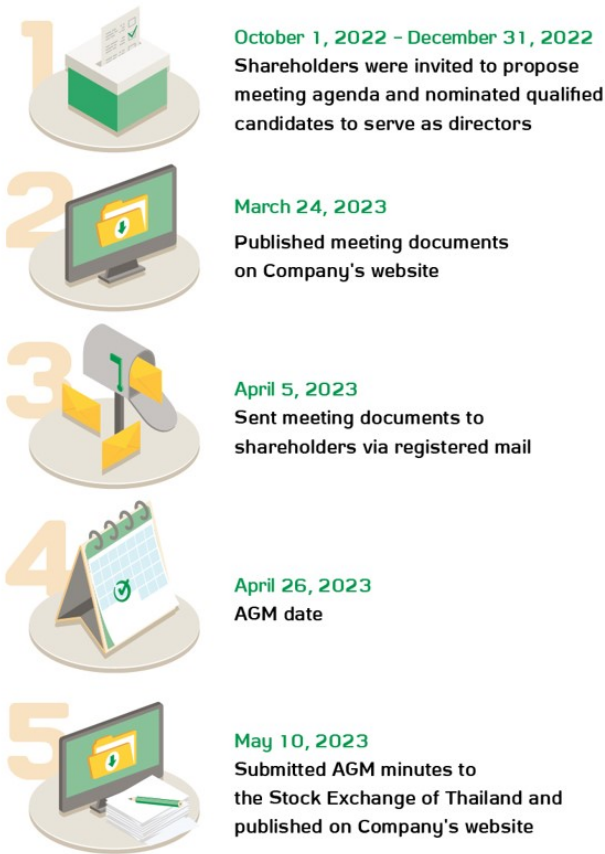
The Company's Board of Directors is committed to upholding the rights of shareholders and facilitating their exercise of those rights in compliance with relevant laws and regulations. Recognizing the importance of shareholder rights in corporate governance, the Board takes proactive measures to safeguard these rights, even in unforeseen or uncontrollable circumstances.

In the year 2023, the Company conducted its Annual General Meeting of Shareholders through electronic means (E-AGM), providing a broad opportunity for shareholders to participate. The Company **ensured the basic rights of shareholders and facilitated convenience to promote shareholder attendance at the meeting**, as follows:

Before the shareholders' meeting

- 1) Providing an opportunity for minority shareholders to propose additional agenda in advance of the shareholders' meeting, including submitting names of individuals with appropriate qualifications for consideration as Company directors. The Company discloses the criteria, channels for submission, and the timeframe for accepting proposals,

Procedure for Conducting AGM



making this information accessible to shareholders through the Company's website.

- 2) On March 24, 2023 (30 days prior to the shareholders' meeting), the Company communicated information and documents related to the Annual General Meeting of Shareholders through its website. This information was identical to the documents sent alongside the meeting invitation via postal mail. The invitation letter included details on (1) the meeting agenda, along with reasons and the board's opinions on the proposed items, (2) the date, time, and location of the meeting, (3) registration criteria and accompanying documents, and (4) the opportunity for shareholders to submit questions on the agenda in advance via email at csoffice@cpf.co.th or by fax at 02-638-2139. This allowed the board to thoroughly consider and address questions during the shareholders' meeting.
- 3) The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send the meeting invitations along with accompanying documents to shareholders by mail on April 5, 2023 (21 days before the shareholders' meeting). The meeting agenda, along with comprehensive details for each item on the agenda, has been clearly specified.

On the shareholders' meeting day

- 1) The Annual General Meeting of Shareholders for the year 2023 was conducted through electronic means in compliance with the Emergency Decree on Electronic Meetings B.E. 2563 and the Ministry of Digital Economy and Society's announcement on standards for ensuring the security of electronic meetings in the year 2020. The Company utilized the IR PLUS AGM application for the meeting, allowing shareholders to participate either personally or by appointing

independent directors or other individuals as proxies. Shareholders could also view the live broadcast of the meeting, cast their votes, and ask questions through the application at every agenda item. The Company provided guidelines for the meeting, including procedures and methods for voting before the meeting, and appointed legal advisors to ensure the proper conduct of the shareholders' meeting in accordance with laws and company regulations, including the verification of vote counting.

- 2) The Board of Directors and executives who attended the Annual General Meeting of Shareholders for the year 2023, totaled 14 individuals. This includes the Chairman of the Board, Vice Chairman of the Board, various committee members, the Chief Executive Officer, and the Chief Financial Officer.
- 3) During the conduct of the meeting, the Chairman of the Board assumes the role of presiding over the meeting. In each agenda, shareholders are afforded the opportunity to express their opinions and pose inquiries pertaining to the matters under consideration in that specific agenda. Furthermore, shareholders are given the chance to individually nominate directors during the agenda pertaining to the appointment of the Company directors, to replace the retiring directors. Throughout the meeting, the meeting facilitator imparts information and rationale to facilitate informed decision-making on the presented matters, and also discloses the voting results for resolutions in each agenda item.

After the shareholders' meeting day

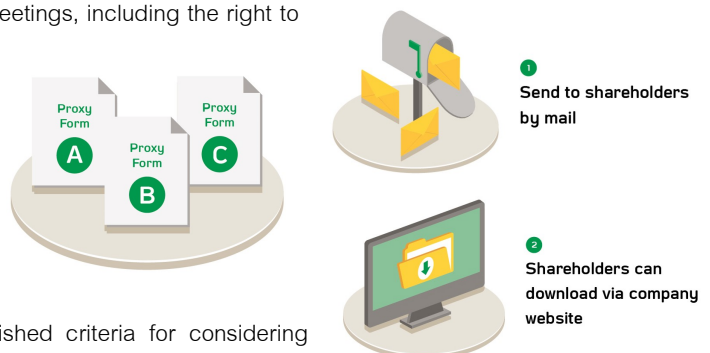
- 1) The Company notifies the shareholders' resolution through the Stock Exchange of Thailand's channel, specifying the voting results as in favor, against, abstain, and invalid ballots, within the day of the shareholders' meeting.
- 2) The Company prepared the minutes of the meeting which included two main sections. The first section encompasses general information such as the list of directors and executives attending the meeting, the number of shareholders present, and their voting scores at the commencement of the meeting, criteria for voting and counting votes, among other details. The second section pertains to information related to the matters presented for shareholders' consideration according to the agenda outlined in the meeting invitation. This section is organized into individual agenda items, including key summarized information recommended by the Board for shareholders' consideration, a summary of shareholders' inquiries, and managerial explanations on pertinent and relevant issues within that agenda item (if applicable).
- 3) The Company submitted the Annual General Meeting of Shareholders minutes for the year 2023 to the Stock Exchange of Thailand on May 10, 2023 (within 14 days from the meeting date) and together published on the Company's website.
- 4) The Company broadcasted a video presentation of the Annual General Meeting of Shareholders for the year 2023 on its official website.

Equitable Treatment of Shareholders

The Company supports and promotes equal treatment of all shareholders in exercising their fundamental rights. Therefore, the Company has policies and internal guidelines in place to govern the use of internal information for the benefit of itself or others in an impartial manner. This is to avoid any harm to shareholders collectively. The Company also ensures equality in the procedures for conducting shareholder meetings, including the right to

propose agenda items and nominate individuals with qualifications suitable for director positions. In the Annual General Meeting of Shareholders for the year 2023, the Company provided an opportunity for shareholders to exercise these rights by allowing advance submissions of such proposal three months before the end of the fiscal year, starting from September 30, 2022. The Board of Directors established criteria for considering submitted proposals, including the channels and time frames for submission.

Communication was facilitated through the Company's website and the Stock Exchange of Thailand. During this period, there were no submissions from any shareholder for agenda items or nominations for director positions.



The Company has arranged proxy forms in a format that allows shareholders to indicate their voting preferences, following the guidelines set by the Ministry of Commerce. Shareholders can either download the proxy form from the Company's website. Additionally, the Company has proposed the appointment of an Auditor and Risk Management Committee member as a proxy to represent shareholders who are unable to attend the meeting in person. The Company has established channels for receiving proxy documents, which can be facilitated through the Company's secretary office.

Prevention of Conflicts of Interest

The Company's Policy on the Prevention of Conflicts of Interest extends to all levels of the organization, including the Board of Directors, executives, and employees. This policy is designed to enhance awareness and understanding among stakeholders regarding situations that may give rise to conflicts of interest. To support this objective, the policy provides clear guidelines aimed at empowering individuals to exercise discretion in identifying, preventing, and addressing conflicts of interest. These guidelines are rooted in principles of fairness and ethical integrity, emphasizing the importance of prioritizing the Company's best interests. Furthermore, the Company has implemented reporting systems and guidelines to address actions that may constitute conflicts of interest, both in the present and in the future.

Furthermore, the Company has policies governing the use of internal information and securities trading. According to these policies, any director or executive intending to trade the Company's securities must disclose transaction details to the Company's board through the Company's secretary office, with a minimum advance notice of 1 business day before executing the transaction. Upon completion of the transaction, directors or executives, as defined in The Securities and Exchange Commission's Announcement No. Kor Jor 17/2551, are required to report changes in their securities holdings to the Securities and Exchange Commission within 3 business days.

The criteria for conducting interrelated transactions by the Company adhere to the provision set forth by the Capital Market Supervisory Board and the Stock Exchange of Thailand. Prior to engaging in such transactions, the Company is required to present the details and reasons for undertaking the transaction for approval from the Audit and Risk Management Committee, the Company's board of directors, and/or the shareholders' meeting (as applicable). Any board member with a vested interest must disclose their financial interests and abstain from participating in the consideration.

Roles toward Stakeholders (including sustainability development for society and the environment)

The Company takes responsibility and conducts itself ethically towards society, based on the principles of human rights. It has guidelines and policies to care for the interests of all stakeholders appropriately⁶⁰, including overseeing, preventing, addressing, or mitigating the impacts arising from the Company's operations, whether directly or indirectly (if any). Additionally, the Company engages in activities to care for and foster good relationships with each stakeholder group, namely shareholders, employees, customers, business partners, trade competitors, creditors, surrounding community, government and press. The Company follows fundamental practices and takes the following actions:

Shareholders: The Company's board of directors is appointed by the shareholders to act as representatives in overseeing the management, ensuring that business operations align with the defined goals and guidelines. This is aimed at the sustainable growth of the organization and ensuring shareholders receive appropriate returns.

Additionally, the Company establishes a system of transparent and accurate financial and non-financial disclosure to provide reliable and understandable information that is not misleading about the Company's essential aspects. This is to ensure







⁶⁰ Consists of 1. Conflict of Interest Policy, 2. Anti-corruption Policy, 3. No Gift Policy, 4. Sustainability Policy, 5. Code of Conduct for Business Partners, 6. Supply Chain Management Policy, 7. Human Rights and Labour Practices Policy, 8. Whistle Blowing Policy, 9. Personal Data Protection Policy, 10. Occupational Safety and Health Policy, 11. Information Management Policy, and 12. Anti-money Laundering Policy

adequate consideration for shareholder investment decisions. The Investor Relations and Capital Market Office, as well as the Company Secretary's office, are designated as the primary units responsible for communicating with investors and shareholders of the Company. Furthermore, the Company has policies on internal data use and securities trading to promote and support equal treatment of all shareholders in using crucial information for investment decisions in the Company's securities. This includes ethical considerations in the internal use of information by the board, management, and employees of the Company

Employees: The Company places paramount importance on cultivating a robust organizational culture that encourages ethical behavior, professional development, and pride in the organization among its employees. This objective is achieved through the diligent and continuous implementation of the Corporate Culture (CPF WAY), coupled with ongoing enhancements to human resource management processes and systems. To support employee growth and well-being, the Company leverages information technology to facilitate the care, development, and management of employee performance. This approach not only improves work efficiency but also provides opportunities for employees to actively shape and plan their career growth within the organization. Such initiatives are tailored to meet the needs of the new generation of employees, ensuring a positive working experience from their initial engagement with the Company and fostering long-term commitment. Under the framework of "CPF@HEART," the Company has defined plans to enhance various aspects of the workplace, focusing on supporting employees in every dimension of their lives. This framework, developed based on employee commitment surveys, aims to provide comprehensive physical and mental care to ensure employees' resilience and growth alongside the organization. Additionally, the Company has instituted policies related to safety, occupational health, and environmental conditions in the workplace. These policies serve as guidelines for implementing health, well-being, and safety measures for employees, promoting a culture of good health care and workplace safety. Furthermore, the Company provides training to prevent potential hazards arising from work activities, ensuring a safe and healthy working environment for all employees.

In addition to caring for and adhering to the rights of employees at all levels based on the principles of human rights consistent with the international declarations on human rights by the United Nations, and also considering the care for employees' families, the Company has expanded the scope of its operations in the areas of human rights and good labor practices to encompass the business activities of business partners. The Company has disseminated and communicated its policies on human rights and good labor practices to its business partners, allowing them to be aware and apply these policies in a manner that is consistent and appropriate.

Customers: The Company places the highest importance on producing high-quality products at reasonable prices, along with a commitment to excellent customer service from the beginning to the end of the value chain. This commitment extends beyond the Company's production chain to cover the entire value chain wherever the Company conducts its business. This encompasses the entire lifecycle of the products, from the source of raw materials to the hands of consumers worldwide, adhering to global manufacturing standards and rigorous quality control. The Company aligns with policies on quality and food safety, as well as its traceability policy, and invests in innovation, research and development at every operational stage to efficiently produce food products that meet consumer satisfaction and behavior. The Company implements a comprehensive product testing program in collaboration with experts both domestically and internationally, focusing on accurate and rapid analysis to reduce manual labor, waste, storage time, and ensure timely product delivery to customers while maintaining product quality. Additionally, the Company has established a Sensory Evaluation Center to develop and train personnel for testing the sensory quality of products. Furthermore, the Company conducts sales and marketing activities responsibly and ethically,

Healthier Choice Products	Highlight
	<p>Balance yourself and made with selective natural ingredients Low baddies, High goodies</p>
	<p>Incredibly delicious and low in calories Be full and good for health</p>
	<p>The best choice for health, composed of natural raw materials</p>
	<p>Brown rice fed, nice aroma, tender, juicy, free from chemical and 100% natural Raised without antibiotics</p>

providing accurate and truthful information, adhering to relevant laws and regulations, and ensuring product labels convey information that is correct, clear, and sufficient for consumer decision-making.



CPF Consumer Center offers integrated services in providing information, receiving complaints, and servicing, as well as taking orders and delivering the Company's products. The Company has set three levels of complaint management based on the severity of the issues. The CPF Consumer Center acts as a central operator sending the complaints to responsible departments, and following up with the investigation until the issue is resolved. Complaints received from other communication channels will also be sent to the CPF Consumer Center to be processed. **The Company has an ultimate goal to have zero product recalls due to safety and quality issues.** Also, every year the Company surveys customer satisfaction with CPF-branded products using an online survey to help the Company identify positive customer experiences in order to develop, improve, and optimize products to best meet customer needs. The satisfaction levels of B2B customers (feed, Farm and processing, food) for the year 2023 were scored at 92.6%.

Business Partners: The Company engages with all business partners with fairness and integrity in conducting business. It treats business partners as equal to trade partners of the Company. The selection of business partners is based on the Company's best interests and is conducted impartially. Clear contracts specifying products, services, payment terms, and fees are established and appropriately approved by relevant parties. The Company also places importance on elevating the capabilities of its business partners to adapt to current situations and operate responsibly towards the environment and society. The Company collaborates with government agencies and relevant

organizations to share knowledge, enabling business partners to develop and enhance their operations to international standards. This includes aspects such as labor, safety, health in production processes, workplace environments, and environmental management. Such collaborations create opportunities for business partners to grow into larger enterprises or elevate their status to national and global levels. In the year 2023, the Company undertook several projects aimed at supporting its business partners, both domestically and internationally. These projects included training programs, seminars on sustainable agricultural and industrial business practices, as well as credit term improvements to ensure financial stability for business partners. Further details about these support initiatives can be found in the Sustainability Report for the year 2023.

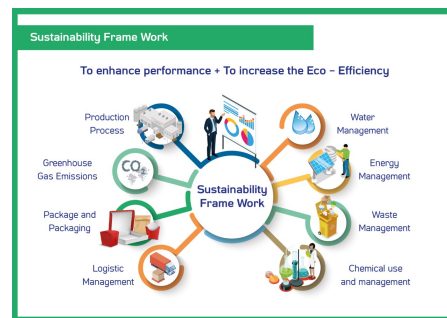
The Company believes that sustainable and enduring success must be built on a foundation of social and environmental responsibility throughout the business processes. As such, the Company has established **Sustainable Sourcing Policy and Supplier Guiding Principle** for business partners to ensure that the business relationship between the Company and its partners complies with relevant laws and regulations. These policies and practices not only contribute to the development of capabilities, enhance competitiveness, and foster long-term growth but also provide an opportunity for the Company and its partners to collaboratively contribute to creating a balanced and sustainable society and environment.

Trade Competitors: The Company upholds the belief that fair competition is beneficial for businesses, partners, and consumers alike. As such, the Company actively promotes and supports fair competition grounded in principles of fairness and transparency. In this regard, the Company complies with competition laws in every industry, refrains from making inappropriate, inaccurate, or deceptive statements about competitors, and avoids using methods that violate laws related to trade competition or ethics. The Company does not engage in any form of solicitation to induce former or current employees of other companies to disclose confidential information. In the year 2023, the Company did not have any legal disputes with trade competitors.

Creditors: The Company adheres to a fair and equitable approach towards creditors and is committed to strictly adhering to the terms and conditions specified in contracts with creditors. The Company has established a comprehensive control system to ensure compliance with contractual obligations towards creditors, placing a strong emphasis on maintaining the Company's reputation. Additionally, the Company has clearly defined trade terms, such as guarantees and

consequences for breaches of payment terms, to ensure transparency and fairness. It is noteworthy that the Company has never defaulted on the principal and interest payments to creditors.

Community and Society: The Company operates under the guiding principle of "Good Corporate Citizen" meaning it actively contributes to and cares for communities and society, both in normal times and during crises. The Company aims to foster awareness and encourage employees to actively participate in community-building activities that enhance the quality of life. Furthermore, the Company promotes employee awareness regarding effective water management, biodiversity and ecosystem preservation, and environmental conservation. This is achieved through various projects such as forest conservation and restoration, activities addressing marine litter under the CPF Restore the Ocean project, which applies the principles of the circular economy by transforming used plastic water bottle caps into functional items. These initiatives have positive economic impacts, providing additional income to communities through product sales, social impacts by fostering community involvement in solving waste-related issues, and environmental impacts by addressing plastic pollution and preserving marine ecosystems. The Company recognizes the fundamental value and importance of natural resources and the environment, considering them basic rights for everyone to live in a good environment. As a result, the Company places great emphasis on responsible resource use in its production processes and developing production methods that preserve a good environment throughout the value chain. The Company is committed to caring for, preserving, and protecting the environment, starting from responsibly using resources in the production process and developing production processes that maintain a good environment, consistently caring for the entire value chain (details of community and society projects are presented in the Sustainability Report 2023).

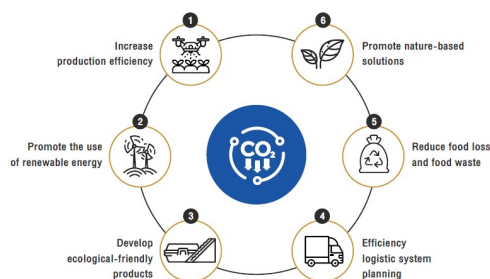


Furthermore, the Company has **guidelines for climate change management and supports the goal of achieving net-zero greenhouse gas emissions (Net-Zero) by B.E. 2593 or year 2050.** This initiative aims to protect biodiversity and create environmental system balance by implementing innovative practices throughout the production chain, known as CPF Smart Process. The Smart Process consists of Smart Sourcing, focusing on sustainably sourcing raw materials to reduce greenhouse gas emissions, Smart Production, emphasizing emission reduction in manufacturing processes, such as in animal feed factories, farms, and food processing plants, through innovations in production and energy, and Smart Consumption, concentrating on developing socially and environmentally responsible products and packaging. The Company's commitment to reducing greenhouse gas emissions has also been communicated to farmers and business partners within the supply chain.

The economic principle of **Circular Economy** implemented by the Company in conducting its business operations includes:

1. Increase production efficiency by reducing energy consumption per production unit;
2. Promoting the use of renewable energy in various forms;
3. Develop ecological-friendly products to reduce the impact of climate change such as low-carbon products;
4. Efficiency logistic system planning to optimize fuel usage and cargo compartment area, monitoring the amount of goods loaded, and ensuring the fullest load possible each day;
5. Reduce waste, food loss and food waste in the manufacturing processes to zero within 2030 to minimize waste amounts at landfill and incineration sites;
6. Promote nature-based solutions through responsible sourcing, as well as protecting biodiversity through the execution of various projects and increasing green space in the establishment to absorb carbon dioxide.

6 CLIMATE CHANGE ACTIONS, ACCORDING TO CIRCULAR ECONOMY PRINCIPLES, TO MOVE TOWARDS "LOW-CARBON ORGANIZATION"





Furthermore, the Company's products have undergone carbon footprint assessments, with 880 items recognized with a carbon footprint label, 56 products certified with a carbon footprint reduction label and 2 varieties of carbon-neutral chicken eggs. These efforts collectively contribute to a reduction of not less than 2.34 million tons of carbon dioxide emissions. The Company is dedicated to incorporating technology and innovation to consistently develop eco-friendly products. Presently, many of the certified low carbon products from

Thailand Greenhouse Gas Management Organization (Public Organization, release greenhouse gases significantly below the industry average. For instance, CP fresh chicken eggs emit greenhouse gases that are 30% lower than the industry average, fresh chicken meat emits gases 50% lower, and fresh pork emits gases 13% lower, aligning with the global consumer demand for low carbon footprint products.

In addition to the guidelines and operations for the well-being of each stakeholder group, the Company is also recognize of and places importance on the protection of personal data of all stakeholders. The Company is committed to safeguarding and maintaining the security of personal data in compliance with the law and international standards. Therefore, the Company has established a Personal Data Protection Policy as a practice guide for employees at all levels to ensure proper compliance with the law. Furthermore, the Company has created a Privacy Notice to inform the data subjects that every transaction with the Company is secure, trustworthy, and equipped with appropriate measures to prevent harm resulting from the misuse of personal data for unethical gains. The Personal Data Protection Policy outlines various key practices of the organization, summarized as follows:

Personal Data Protection Policy

Guidelines



1 Collection of Personal Data

The Company shall collect the Personal Data as necessary as the purposes previously informed to the data subject



2 Retention of Personal Data

- Provide security measures to collect the Personal Data
- Notify the incidence of the Personal Data breach to related authority and/or data subject



3 Use and Disclosure of Personal Data

- Use or disclose the Personal Data as necessary in accordance with the purposes and /or the relevant law
- Provide appropriate security measures for preventing its personnel and third parties unauthorized or unlawful access to the Personal Data



4 Cross - Border Transfer of Personal Data

Regarding the cross-border transfer of Personal Data, the Company shall ensure that the destination country have adequate data protection standard and carry out in accordance with the conditions of the Personal Data Protection Act



5 Erasure or Destruction of Personal Data

- When the period of use to the purposes for collecting the Personal Data ends
- When the Personal Data exceeds necessity or the data subject requests



6 Outsourcing Data Processing

- Select the company or persons having the standardized data protection systems or safeguards
- Arrange data processing contract with the company or third parties to control the performance of their duties in accordance with the relevant law



7 Rights of Data Subject

The Company shall operate according to the request of the data subject and record such request of the data subject as evidence

In this regard, the Company has communicated information and knowledge about personal data protection to employees at all levels through various formats and channels.

Information Disclosure and Transparency

The Company respects and prioritizes the protection of personal data for all stakeholder groups. The Company is committed to safeguarding personal data from being used inappropriately and ensures the security of such data in accordance with personal data protection laws and international standards. The Company's Board of Directors has assigned the **Investor Relations and Capital Market Division to disseminate financial and general information about the Company to securities analysts and investors.** This division also serves as a communication channel for investors interested in interacting with the Company. During the crisis caused by the COVID-19 pandemic, the Investor Relations and Capital Market Division adapted to online



formats, such as virtual meetings or telephone

communications, for interactions with securities analysts and investors. Senior management recognizes the importance of fostering good relationships with securities analysts and investors, and they allocate time to regularly participate in various activities organized by the Investor Relations and Capital Market Division. Additionally, the Investor Relations and Capital Market Division releases various documents related to quarterly performance, raw material prices, and other products on the Company's website, enabling investors to access information instantly and comprehensively. Simultaneously, the **Company Secretary's Office communicates news and maintains contact with shareholders** to ensure equal, accurate, timely, and transparent information dissemination in accordance with relevant standards, regulations, and practices.

Moreover, the Company also has an information security policy, use of inside information and securities trading policy and guideline for information disclosure. These policies aim to ensure that information crucial to influencing changes in securities prices or values is accurately disclosed to the public, in compliance with applicable laws and regulations. The Board of Directors, executives, employees, and all staff adhere to the same guidelines in implementing these policies.

For **financial reporting**, the Company prepares financial statements in accordance with accounting standards and financial reporting standards announced by the Federation of Accounting Professions. This includes adhering to the generally accepted accounting principles in Thailand. The Board of Directors is responsible for the separate financial statements of the Company, as well as the consolidated financial statements of the Company and its subsidiaries. The Board considers and employs the best possible estimation in the preparation process. Moreover, the Company ensures adequate disclosure of significant information in the Notes to the financial statements to enhance reliability and usefulness for shareholders and the public.

The Company adheres to the criteria and regulations set forth by the Securities and Exchange Commission and The Stock Exchange of Thailand, in compliance with legal requirements, particularly in relation to information disclosure, including financial reporting, aims to ensure transparency. Concerning financial reports, the Company has appointed an Audit and Risk Management Committee to oversee the accuracy of financial reporting, internal control systems, and sufficient disclosure of significant information in the Notes to the financial statements. This is done for the benefit of shareholders and the public.

Regarding product information, the Company conducts sales and marketing activities responsibly and ethically. Information used for sales promotion and advertising, as well as any communication on behalf of the Company, must not

<p>Healthier Choice Symbol</p>		<p>Nutritional Information</p>	
<p>Additional Information</p>		<p>Guideline Daily Amounts</p>	
<p>Specific Information</p>		<p>Specific Information</p>	

deviate from the truth or lead to misunderstandings. The Company is committed to providing accurate and relevant information transparently, adhering to laws, regulations, and cultural nuances in each country.

Additionally, the Company emphasizes the importance of clear and accurate product communication, including product labelling, to facilitate informed consumer decision-making, considering factors such as nutritional value and Guideline Daily Amounts.

6.2 Code of Conduct

CPF Code of Conduct covers fundamental principles and operating guidelines for all directors and employees of the Company, which shall be adhered and carried out mutually and appropriately by all according to the Company's anticipations. It addresses the Company's business principles, corporate values, compliance-based business ethics and regulatory compliance, including operational supervisions to meet the anticipations accordingly, for of which for benefits of standardized work performances of all directors and employees based on morality and integrity. Detail in this Code of Conduct does not cover every specific circumstance, but shall serve as guidelines for particular manner decisions to ensure correctness and appropriateness of the decision made under each circumstance. The Company's directors and employees therefore shall:



Moral

Conflict of Interest Policy
Anti-Corruption Policy
No Gift Policy



Quality

Sustainability Policy
Supplier Code of Conduct
Supply Chain Management Policy



Personnel

Human Rights and Labor Practices Policy
Whistleblowing Policy
Personal Data Protection Policy
Occupational Health and Safety Policy



Asset

Information Management Policy
Anti-Money Laundering Policy

- understand the principles and practices, especially matters related to duties and responsibilities of each person,
- consult superiors or work units relevant to such regulations or policies in case of uncertainty whether any action is conformed to the CPF Code of Conduct or not,
- communicate with subordinates or related parties to ensure understanding according to the CPF Code of Conduct, and
- conduct whistleblowing through channels determined in CPF Code of Conduct or relevant policies when experiencing improper action against the CPF Code of Conduct and cooperate with investigations undertaken, whereas such whistleblower shall be protected according to the Company's policy.

To ensure that all employees shall comply with the same business ethical standard, the Company has therefore set up a total of 12 related policies which are divided into 4 categories including: (1) Morality; (2) Quality; (3) Personnel; and (4) Asset. Investors can study the aforementioned business ethics disseminated on the Company's website at <https://www.cpfworldwide.com/en/investors/report-56-1-2023/attachment>.

6.3 Major Changes and Developments of Implementation of Corporate Governance in 2023

The Company recognises social change and all stakeholders' requirements. Therefore, the Board of Directors places importance on reviews of policies, practices, systems and implementation of corporate governance. In 2023 the Company has undertaken the following initiatives:

- Reviewed corporate governance and sustainable development goals for the year 2023;
- Revising various policies related to corporate governance and sustainable development, including:
 - The Corporate Governance and Sustainable Development Policy.
 - Anti-corruption policy, encompassing the giving or receiving of gifts or any other benefits, facilitation payments, and revolving door.
 - The policy regarding conflicts of interest.
 - Whistleblowing Policy
- Appointed Mr. Sek Wannamethee as a member of the Board of Directors, the Corporate Governance and Sustainable Development Committee, and the Remuneration and Nominating Committee, effective from January 1, 2024, onwards.

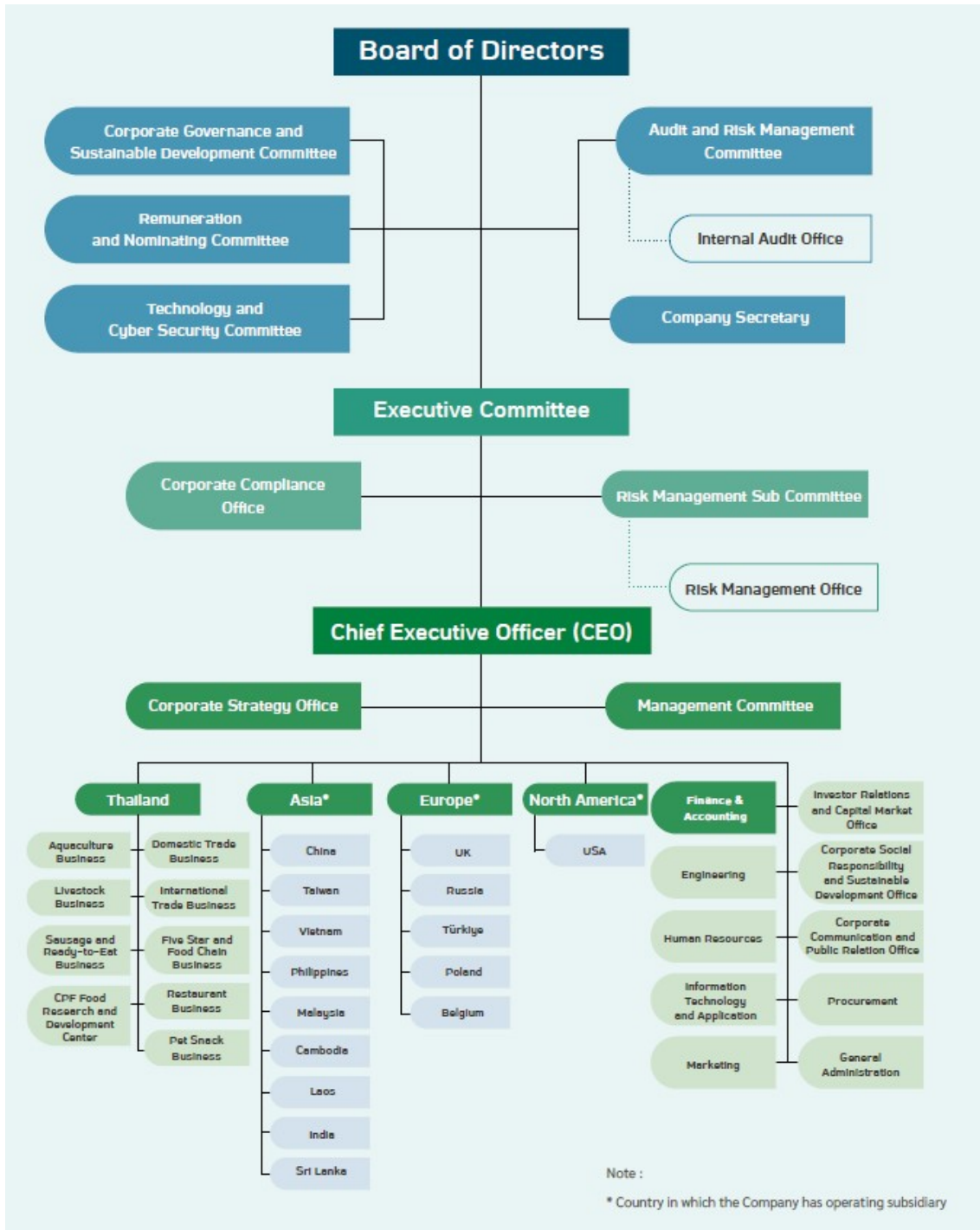
- The Remuneration and Nominating Committee has reviewed the criteria for the skills, knowledge, expertise, and experience of the members of the Board of Directors (Board Skills Matrix) to align with the business objectives of the Company.
- Developed online learning materials on corporate governance and sustainable development for executives and employees at all levels, both domestically and internationally, to enhance awareness and facilitate the application of knowledge in their respective roles such as Good governance, Business Code of Conduct, anti-corruption, organizational values, CPF Integrated Value Chain, cybersecurity and safety, ESG fundamentals, and compliance with standards, such as CPF's practices.
- Continuous dissemination of knowledge on corporate governance, risk management, and compliance through internal electronic media communication within the organization.
- Implemented employee surveys to gather opinions on corporate governance, risk management, and compliance practices.
- Conducted employee engagement surveys to assess the level of engagement to the organization. This is done to establish guidelines for improvement and elevate the engagement of employees, recognizing their crucial role in driving organizational sustainability.
- Communicated new or updated legal regulations to both domestic and international executives and employees.
- Studied the principles and concepts of corporate sustainability and corporate governance of the international benchmarking organizations in the field of global sustainability to be taken into consideration for organizational development.
- Conducted training sessions to review knowledge on rights and practices related to human rights, such as reviewing regulations and operational procedures for foreign workers. This includes providing knowledge about labor rights and standards for foreign workers.
- Developed software systems for risk management and compliance practices.
- Expanded the network for overseeing compliance practices internationally through the establishment of a Compliance Office or Compliance Champion.
- Developed Non-Compliance KPI in collaboration with relevant departments.

Nonetheless, there were certain principles of conduct according to the CG Code that the Company was unable to implement in 2023, which included:

1. The composition of the Board of Directors with more than 12 directors
On January 1, 2024, the Company has a board of directors consisting of 15 members, each of whom is a qualified individual possessing the requisite skills, knowledge, expertise, and experience suitable for driving the organization in accordance with its mission. The Company believes that the composition of the board is suitable for the nature of business operation which involves investments in 17 countries, and aligns with the Company's revenue size.
2. The Chairman of the Board of Directors is not an independent director
The Company's Board of Directors has appointed "Lead Independent Director" to represent the independent directors in various considerations and jointly determining the agenda for board meetings. The Company also established clear conflict of interest practices. The independent directors are empowered to conduct meetings without the presence of other executive directors or executives to deliberate on various matters, as deemed appropriate by the independent directors
3. The Board of Directors consists of more than half independent directors.
The Board of Directors considers that the board structure comprises 10 non-executive directors and 5 executive directors, representing 66.66% and 33.33% of the total board members, respectively. Among these members, 5 are independent directors, accounting for 33.33% of the total board and 50.00% of the non-executive directors. This composition provides a balanced and appropriate representation for expressing opinions and making decisions during board meetings.

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others⁶¹

7.1 The Company's management structure as of January 1, 2024



⁶¹ "Company" referred to in Part 2, Clause 7.2 to 7.3, means Charoen Pokphand Foods Public Company Limited or CPF

7.2 Board of Directors

As of January 1, 2024, CPF's Board of Directors consisted of the following 15 directors:

Name	Surname	Position
1. Mr. Soopakij	Chearavanont	Chairman ⁽¹⁾
2. Mr. Phongthep	Chiaravanont	Vice Chairman ⁽¹⁾
3. Mr. Suphachai	Chearavanont	Vice Chairman ⁽¹⁾
4. Mr. Adirek	Sripatak	Vice Chairman ⁽¹⁾
5. Mr. Rungson	Sriworasat	Director ⁽²⁾
6. Professor Dr. Kittipong	Kittayarak	Director ^{(2) (3)}
7. Mrs. Vatchari	Vimooktayon	Director ⁽²⁾
8. Mr. Vinai	Vittavasgarnevej	Director ⁽²⁾
9. Mr. Sek	Wannamethee	Director ⁽²⁾
10. Mrs. Arunee	Watcharananan	Director ⁽¹⁾
11. Mr. Prasit	Boondoungprasert	Director ⁽¹⁾
12. Dr. Sujint	Thammasart, D.V.M.	Director ⁽¹⁾
13. Mr. Siripong	Aroonratana	Director ⁽¹⁾
14. Mr. Paisan	Chirakitcharern	Director ⁽¹⁾
15. Mr. Montri	Suwanposri	Director ⁽¹⁾

Remarks ⁽¹⁾ Authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed

⁽²⁾ Independent director

⁽³⁾ Lead Independent director

Mrs. Kobboon Srichai is the Company Secretary.

Composition of the Board of Directors

As stipulated in the Company's Article of Association, the Company's Board of Directors must consist of at least 5 directors and at least half of the directors must be resident in Thailand. The Board of Directors appoints the Chairman and Vice Chairman.

As of January 1, 2024, the Company's Board of Directors comprises 10 non-executive directors and 5 executive directors, representing 66.66% and 33.33% of the total board members, respectively. Among these members, 5 are independent directors, accounting for 33.33% of the total board and 50.00% of the non-executive directors.

Roles and Responsibilities of the Board of Directors

The Board of Directors have been entrusted by shareholders to manage the Company's business honestly and fairly, as indicated in the Objects of the Company and in compliance with the Articles of Association of the Company, as well as all resolutions made at shareholders' meetings and according to relevant regulations. The Board of Directors may assign one or several directors, or any other person, to perform any act on its behalf provided that a clear indication of roles and responsibilities is given to the assigned person.

The Board of Directors has the duty to supervise the management to operate the business in accordance with the objectives, strategies and the operational plan approved by the Board of Directors, in the best interests of the Company and all stakeholders. The Board of Directors will assign the authority, duties and responsibilities relating to daily managerial tasks to President. These authorities and duties must be clearly separated from the authorities and duties of the Chairman of the Board of Directors. The Board of Directors may appoint various committees to supervise specific areas of operation, and engage external experts or advisors to provide opinions or advice on matters relating to the Company's business operations, as necessary and appropriate, at the Company's expense.

In addition, the Board of Directors appoints the Company Secretary to counsel and assist the Board of Directors to ensure its compliance with legal rules and regulations, as well as corporate governance. The Company Secretary is also required to coordinate and take appropriate care of the Company's shareholders on an equal basis.

Roles and Responsibilities of Chairman of the Board of Directors

- (1) To consider the meeting agenda of the Board of Directors;
- (2) To take the chair at the Board of Directors meeting and allocate sufficient time for the management to present matters, and the directors to thoroughly discuss, as well as encourage the exercise of prudential discretion;
- (3) To give the casting vote in the case of the votes of the Board are tied;
- (4) Oversee and ensure that the board and committees are functioning effectively to achieve the organization's objectives and strategic goals;
- (5) Strengthen relations between the board and management and supervise the Board of Directors to promote ethical behavior and good corporate governance throughout the Company
- (6) Perform the duty specified by law as the duty to be performed by the Chairman.

Roles and Responsibilities of the Board of Directors

- (1) To perform its duties in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of shareholders meetings, with due accountability, care and integrity;
- (2) To determine the major policies for business operations, as well as the policies relating to finance, mobilization of funds, funds management, management of the Company's risks, allocation and management of information technology, and to supervise the management for the implementation of these policies in an efficient and effective manner;
- (3) To consider and approve the Company's vision and mission, and cause a review thereof every year;
- (4) To consider and approve the Company's objectives, strategies and business plans as well as conduct a review thereof every year, and to monitor the results of the implementation of those prescribed plans;
- (5) To consider and approve matters other than those which are within the authority delegated to the President, or matters which must be approved by the Board of Directors or a shareholders meeting as prescribed by the law or the relevant rules or procedures of the Company;
- (6) To set up an internal control system covering the areas of business operations, financial reporting and compliance with the laws and the Company's rules, policies and procedures. In this regard, the Internal Audit Office has the duty to audit the compliance with this internal control system, and make a report to the Audit and Risk Management Committee. The Board of Directors will evaluate the risk management system and assess the adequacy and appropriateness of the internal control system on a yearly basis, and will review the significant systems at least once a year. The Board of Directors will also provide its opinions thereon in the annual report;
- (7) To promote innovation and the use of technology to enhance competitiveness with responsibilities to social and environmental matters and ensure that management take it into their consideration when reviewing the Company's strategies;
- (8) To assess the compliance with corporate governance policy and conduct a review thereof at least once a year;
- (9) To appoint Chief Executive Officer (CEO), to supervise and ensure that CEO performs his duties in accordance with the Company's corporate governance policy and the scope of authority delegated by the Board of Directors, and to conduct an annual evaluation of CEO's performance in order to support the determination of his remuneration;
- (10) To appoint directors or executives to serve as directors of the subsidiaries in order to oversee their operations in accordance with their investment objectives;
- (11) To appoint the Company Secretary who is to be responsible for all matters as required by the law;
- (12) To appoint the Audit and Risk Management Committee, the Executive Committee and other committees, such as the Remuneration and Nominating Committee, in order to assist the Board of Directors in supervising the business with a view to achieving the prescribed objectives. The majority of the committee members shall be independent directors. The chairmen of the committees must be independent directors; and
- (13) To set up a plan for director and management development, as well as a succession plan.

7.3 Sub-Committee

Audit and Risk Management Committee

CPF's Audit and Risk Management Committee has been appointed by the Board of Directors. The current Audit and Risk Management Committee term is for a period of three years which expires on December 23, 2026. As of January 1, 2024, the members of the Audit and Risk Management Committee are the following four independent directors:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Audit and Risk Management
2. Mrs. Vatchari	Vimooktayon	Member of the Audit and Risk Management Committee
3. Mr. Vinai	Vittavasarnvej	Member of the Audit and Risk Management Committee
4. Professor Dr. Kittipong	Kittayarak	Member of the Audit and Risk Management Committee

Ms. Wipawan Pramoonkwandee, Head of Internal Audit and Risk Management Department, serves as Ex Officio Secretary of the Audit and Risk Management Committee.

Mr. Rungson Sriworasat, Mrs. Vatchari Vimooktayon and Mr. Vinai Vittavasarnvej, three members of the Audit and Risk Management Committee, have excellent knowledge, understanding and experience in matters of accounting and finance, as well as changing financial regulations which require changes in the nature of the financial report. The Audit and Risk Management Committee can seek advice from an independent specialist if necessary.

The terms of service of the committee members is for a period of three years, as this ensures a greater degree of continuity in the work undertaken by the Audit and Risk Management Committee. Moreover, any retiring member of the committee can be re-appointed for another term of membership. If any committee member wishes to resign before the expiration of his/her period of service, s/he is required to provide one month's notice of such resignation in writing. New committee members who replace resigning committee members assume the remaining period of service of the member who resigns.

The Audit and Risk Management Committee has to conduct meetings at least four times in any one-year period. At each Audit and Risk Management Committee meeting, the Audit and Risk Management Committee is empowered to invite Chief Executive Officer (CEO), Chief Operating Officer, Chief Financial Officer, executives, auditor and Head of the Internal Audit Office to attend, for clarification purposes. The Audit and Risk Management Committee also meets the Company's External Auditor at least once a year and without management in attendance. During 2023, the Audit and Risk Management Committee held 9 meetings and met the External Auditor without management in attendance 4 times.

Roles and Responsibilities of the Audit and Risk Management Committee

The Board of Directors has identified the roles and responsibilities of the Audit and Risk Management Committee in order to comply with the Notification of the Stock Exchange of Thailand Re: Qualification and Scopes of Duties of the Audit and Risk Management Committee 2008 dated June 9, 2008, as follows:

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate;
- (2) To review the Company's internal control and internal audit to ensure that they are suitable and efficient;
- (3) To review that the Company and the senior management strictly adhere to risk management policy, strategies and risk appetite;
- (4) To review the adequacy and efficiency of overall risk management policy, strategies and risk appetite at least once a year or upon any significant change;
- (5) To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand and the laws relating to the Company's businesses;
- (6) To determine the independence of the Internal Audit Office, as well as to approve the appointment, transfer, dismissal and to evaluate the performance of the Head of Internal Audit Office;
- (7) To consider, select and nominate independent persons to serve as the Company's external auditors, to propose their remuneration, to dismiss the Company's external auditors and to attend the meeting with the external auditors without the management at least once a year;

- (8) To review related-party transactions and any transactions that may involve a potential conflict of interest so as to ensure that they are in compliance with the law and the regulations of the Stock Exchange of Thailand, and are reasonable and in the best interests of the Company;
- (9) To prepare a report of the Audit and Risk Management Committee which is signed by the Chairman of the Audit and Risk Management Committee and published in the Company's annual report. This report must contain at least the following information:
 - (9.1) a commentary on the accuracy, completeness and credibility of the Company's financial report;
 - (9.2) a commentary on the adequacy and efficiency of the Company's internal control system;
 - (9.3) a commentary on the efficiency and effectiveness of the overall Company's risk management;
 - (9.4) a commentary on compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business;
 - (9.5) a commentary on the suitability of the external auditors;
 - (9.6) a commentary on transactions that may involve potential conflicts of interest;
 - (9.7) the number of Audit and Risk Management committee meetings and the number times of attendance at such meetings by each audit and risk management committee member;
 - (9.8) a commentary or overview of the Audit and Risk Management Committee on the performance of its duties in accordance with the Audit and Risk Management Committee charter; and
 - (9.9) the details of any transactions which, in the Audit and Risk Management Committee's opinion, should be known to shareholders and general investors, provided that this must be within the scope of duties and responsibilities assigned by the Board of Directors; and
- (10) To perform any other acts as assigned by the Board of Directors with the approval of the Audit and Risk Management Committee.

In performing its duties within the scope specified above, the Audit and Risk Management Committee shall be directly responsible to the Board of Directors. Nonetheless, the Board of Directors shall remain responsible to third parties for the acts of the Company.

Corporate Governance and Sustainable Development Committee

The current Corporate Governance and Sustainable Development Committee was appointed on November 16, 2021, by integrating the duties and authorities of the Corporate Governance Committee and the Corporate Social Responsibility and Sustainable Development Committee in order to drive sustainable development based on good corporate governance to achieve the utmost efficiency and effectiveness, with a term period of three years or expire on November 16, 2024. As of January 1, 2024, the Corporate Governance and Sustainable Development Committee comprises four members: three members are independent directors, and the remaining is an non-executive director, as follows:

Name	Surname	Position
1. Mr. Rungson	Sriworasat	Chairman of the Corporate Governance and Sustainable Development Committee
2. Professor Dr. Kittipong	Kittayarak	Member of the Corporate Governance and Sustainable Development Committee
3. Mr. Adirek	Sripatak	Member of the Corporate Governance and Sustainable Development Committee
4. Mr. Sek	Wannamethee	Member of the Corporate Governance and Sustainable Development Committee

The Company Secretary serves as Ex Officio Secretary of the Corporate Governance and Sustainable Development Committee Committee.

Roles and Responsibilities of the Corporate Governance and Sustainable Development Committee

- (1) To establish key policies and goals related to corporate governance and sustainable development in accordance with the Company's business operations, taking into account economic growth, environment and society to propose to the Board of Directors for approval.

- (2) To approve strategies and guidelines for corporate governance and sustainable development, as well as to encourage actions taken to achieve Company's sustainability goals.
- (3) To supervise, monitor and evaluate the performance of corporate governance and sustainable development, as well as reporting the progress to the Board of Directors for acknowledgment.
- (4) To review goals and related policies in order to ensure that they suit the business conditions, complying with international laws or best practices, as well as recommendations of various institutions, and proposing such to the Board of Directors.
- (5) To perform any other tasks related thereto as assigned by the Board of Directors.

Remuneration and Nominating Committee

CPF's Remuneration and Nominating Committee was appointed by the Board of Directors. The current Remuneration and Nominating Committee term is for a period of three years, which will expire on April 1, 2024. As of January 1, 2024, the Remuneration and Nominating Committee comprises four members: two members are independent directors and two members are non-executive director as follows:

Name	Surname	Position
1. Mr. Vinai	Vittavasgarnvej	Chairman of the Remuneration and Nominating Committee
2. Mr. Suphachai	Chearavanont	Vice Chairman of the Remuneration and Nominating Committee
3. Mr. Adirek	Sripratak	Member of the Remuneration and Nominating Committee
4. Mr. Sek	Wannamethee	Member of the Remuneration and Nominating Committee

The Company Secretary serves as Ex Officio Secretary of the Remuneration and Nominating Committee.

The Board of Directors appoints the Chairman of the Remuneration and Nominating Committee, where the Remuneration and Nominating Committee term is for a period of three years, so as to ensure a degree of continuity in its work. The period of service can be changed subject to approval from the Board of Directors. Furthermore, a retiring committee member may be re-appointed for another term, if this is approved by the Board of Directors. If any committee member wishes to resign before the expiration of his/her term of service, he/she should provide one month's written notice.

Roles and Responsibilities of the Remuneration and Nominating Committee

- (1) To establish the rules and process for nominating individuals qualified to be the Company's directors and member of the Audit and Risk Management Committee;
- (2) If there is a vacancy on the Board of Directors or the Audit and Risk Management Committee, to propose an individual qualified to fill such vacancy to the Board of Directors for its consideration;
- (3) To review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes;
- (4) To conduct an annual evaluation of the performance of the Board of Directors, and to report such evaluation to the Board of Directors;
- (5) To establish and review the policy and guidelines relating to directors' remuneration which is suitable for their responsibilities, and commensurate with the prevailing level of the industry and the benefits expected from them whereby the Company's operating results and the directors' duties and responsibilities are taken into account. Such policy and guidelines must also be in accordance with the policy established by the Board of Directors. Any proposed change in the remuneration, from that which has been approved by a shareholders meeting, must be submitted to the Board of Directors for its consideration and then to a shareholders meeting for its approval; and
- (6) To perform any other tasks relating to its duties and responsibilities, as requested by the Board of Directors.

To efficiently perform and accomplish its duties and responsibilities as assigned by the Board of Directors, the Remuneration and Nominating Committee shall meet at least twice a year to consider, discuss any matters and take any action according to its duties and responsibilities. The Remuneration and Nominating Committee may invite other parties such as independent advisor to attend the meetings as appropriate. During 2023, the the Remuneration and Nominating Committee held 3 meetings.

Technology and Cybersecurity Committee

The Board of Directors has appointed the Technology and Cybersecurity Committee to help regulate the use of technology and cybersecurity to ensure efficiency and effectiveness, which have to be in line with future business goals. The Committee is also responsible to support the Board of Directors in formulating long-term strategies and on the Group's technology and cybersecurity risk management. As of January 1, 2024, 6 members of CPF's Technology and Cybersecurity Committee are as follows:

Name	Surname	Position
1. Mr. Sunsern	Samaisut	Chairman of the Technology and Cybersecurity Committee
2. Mrs. Kobboon	Srichai	Member of Technology and Cybersecurity Committee
3. Ms. Wipawan	Pramoonkwamdee	Member of Technology and Cybersecurity Committee
4. Mr. Sunpeera	Ninkham	Member of Technology and Cybersecurity Committee
5. Mr. Thossaporn	Petporee	Member of Technology and Cybersecurity Committee
6. Mr. Kongkiat	Amnuayviriya	Member of Technology and Cybersecurity Committee

Roles and Responsibilities of the Technology and Cybersecurity Committee

- (1) To promote and support the implementation of technology, including related investments and cybersecurity.
- (2) To oversee the strategy and the direction of technology to be in line with Company's strategies.
- (3) To review the governance practices on the use of technology and cybersecurity.
- (4) To review the compliance with the policies and guidelines set forth.
- (5) To report the performance appraisal based on applicable policies to the Board of Directors.

Executive Committee

Executive Committee, appointed by the Board of Directors, has the duty to supervise and oversee the management to ensure that the businesses are efficiently and effectively conducted according to the Company policy and the objectives. As of January 1, 2024, 14 members of CPF's Executive Committee are as follows:

Name	Surname	Position
1. Mr. Adirek	Sripatak	Chairman of the Executive Committee
2. Mrs. Arunee	Watcharananan	Vice Chairperson of the Executive Committee
3. Mr. Sooksunt	Jiumjaiswanglerg	Vice Chairman of the Executive Committee
4. Mr. Sukhawat	Damsermsuk	Vice Chairman of the Executive Committee
5. Mrs. Phatanee	Leksrisompong	Member of the Executive Committee
6. Mr. Prasit	Boondoungprasert	Member of the Executive Committee
7. Mr. Paisan	Chirakitcharern	Member of the Executive Committee
8. Dr. Sujint	Thammasart, D.V.M.	Member of the Executive Committee
9. Mr. Somporn	Jermpong	Member of the Executive Committee
10. Mr. Rewat	Hathaisattayapong	Member of the Executive Committee
11. Mr. Panuwat	Niamprem	Member of the Executive Committee
12. Mr. Narerk	Mangkeo	Member of the Executive Committee
13. Mr. Voravit	Janthanakul	Member of the Executive Committee
14. Mrs. Kobboon	Srichai	Member of the Executive Committee

At meetings, the Executive Committee can invite other people, such as management representatives and/or external advisors, to attend the meeting as necessary. During 2023, the Executive Committee held 11 meetings.

Authorities of the Executive Committee:

The Executive Committee has authorities to approve the following matters

- (1) The acquisition or disposition by CPF or subsidiaries
 - (1.1) Purchase or acquisition or merger in form of acquisition of an investment in shares or equity of any juristic person or assets by CPF or its subsidiaries with a transaction value not exceeding THB 800 million;

- (1.2) Sale or disposition of businesses in any forms by CPF or its subsidiaries with a transaction value not exceeding THB 800 million;
- (1.3) Investment or shareholding restructuring within the group by means of sale and purchase of shares or businesses or merger within the group.
- (2) Capital Expenditure
 - (2.1) Use of capital expenditure of CPF or subsidiaries included in an annual budget, where the value of the project is more than THB 100 million but not exceed THB 800 million;
 - (2.2) Approval and use of Capital expenditure of CPF or subsidiaries included in an annual budget, where the expenditure is 10% over the approved budget and the total value of the project after the budget overrun is more than THB 100 million but not exceed THB 800 million and;
 - (2.3) Approval and use of capital expenditures not included in an annual budget, where the value of the project is more than THB 50 million but not exceed THB 400 million;
 - (2.4) The transactions requiring registration with Land Office.
- (3) Business rehabilitation, dissolution or liquidation of subsidiaries.
- (4) Financial and accounting management
 - (4.1) Accept trade finance / working capital facilities between CPF and financial institutions;
 - (4.2) Accept or provide long-term loan between CPF and its subsidiaries;
 - (4.3) Accept or provide loan between CPF or its subsidiaries and associates;
 - (4.4) Foreign exchange and interest rate risk management with partial exposure of CPF or its subsidiaries;
 - (4.5) Creation of obligations by mortgage, pledge or causing other encumbrances or insure over assets of subsidiaries;
 - (4.6) Grant for the amount of debentures, bills of exchange and other debt instruments of subsidiaries;
 - (4.7) Opening a trading account of CPF;
 - (4.8) Changes in CPF's accounting policies that provide alternatives and significantly affect the financial statements;
 - (4.9) Selling or disposing of fixed assets that are no longer in use to other persons;
 - (4.10) Sell or write-off any fixed assets of CPF or its subsidiaries, where the book value of such fixed assets is more than THB 100 million.
- (5) Personnel
 - (5.1) Appointment, removal and remuneration determination of directors of subsidiaries in accordance with the criteria approved by the Board of Directors;
 - (5.2) Nomination, appointment, removal of directors of associated companies and/or companies with joint venture agreements, in accordance with the rights of CPF or its subsidiaries under the joint venture agreement or by law;
 - (5.3) Appointment, removal and determination of remuneration of the President or the equivalent of subsidiaries;
 - (5.4) Human resource development plan and succession plan, appointment and rotation, performance assessment criteria, determination and adjustment of salary and other benefit of Chief Operating Officer and Head of Business Unit level;
 - (5.5) Determination of employee compensation and benefits policies.

Primary Responsibilities of the Executive Committee:

- (1) To scrutinize the following matters before they are submitted to the Board of Directors of CPF or subsidiaries or sub-committees (as the case may be) for approval
 - (1.1) Corporate strategies, goals & long-term business plan and annual budgets of the group;
 - (1.2) Capital increase or decrease of CPF, subsidiaries or associates;
 - (1.3) The conversion of a subsidiary into a public company and listed its shares in the stock market;
 - (1.4) The establishment of new subsidiary;
 - (1.5) Delisting of the Subsidiaries from being listed on the stock exchange;

- (1.6) Purchase or acquisition or merger in form of acquisition of an investment in shares or equity of any juristic person or assets by CPF or its subsidiaries with a transaction value more than THB 800 million;
 - (1.7) Sale or disposition of businesses in any forms by CPF or its subsidiaries with a transaction more than THB 800 million;
 - (1.8) Use of capital expenditure of CPF or subsidiaries included in an annual budget, where the value of the project is more than THB 800 million;
 - (1.9) Approval and use of Capital expenditure of CPF or subsidiaries included in an annual budget, where the expenditure is 10% over the approved budget and the total value of the project after the budget overrun is more than THB 800 million;
 - (1.10) Approval and use of capital expenditures not included in an annual budget, where the value of the project is more than THB 400 million;
 - (1.11) Accept long-term loan from financial institution;
 - (1.12) Creation of obligations by mortgage, pledge or causing other encumbrances or insure over assets of CPF;
 - (1.13) Grant for the amount of debentures, bills of exchange and other debt instruments of CPF;
 - (1.14) Sale or distribution of land, buildings and constructions which are no longer in use for other persons of CPF or its subsidiaries with an appraised value of more than 800 million baht;
 - (1.15) Proposal for appointment, removal, evaluation of performance and determination of a succession plan for the Chief Executive Officer (CEO) of CPF;
 - (1.16) Proposal for appointment, removal of company secretary;
 - (1.17) Amendment to the guideline stipulating the scope, authority and financial limit of directors and executives of CPF and its subsidiaries;
 - (1.18) Approval of Code of Conduct, targets and key policies at the group level;
 - (1.19) Annual risk management plan of the group;
 - (1.20) Annual compliance plan of the group.
- (2) To monitor the the following matters performed by management team
 - (2.1) The performance according to the goal, long-term business plan and annual budget;
 - (2.2) The progress of investment project and its actual performance compared to the budget of each project;
 - (2.3) The progress of human resources development plan.
 - (3) To conduct an annual evaluation of the performance of the top management.

In addition to the above 5 committees, the Company, by Chairman of the Executive Committee, also established **Risk Management Sub-committee** with the Chief Finance Officer being the President is responsible for reviewing key risks of the Company and determining risk management measures by collaborating with all related departments as the risk owner. In this regard, the Risk Management Sub-committee will monitor risks and follow the progress in the implementation of measures, which will be discussed in quarterly meetings.

7.4 Executives

As of March 1, 2024, CPF's executives and top management of main businesses comprises the following:

- | | | |
|----|---|--|
| 1. | Mr. Prasit Boondoungprasert ^{/62} | Chief Executive Officer (CEO) |
| 2. | Dr. Sujint Thammasart, D.V.M. ^{/62} | Chief Operating Officer - Aquaculture Business |
| 3. | Mr. Siripong Aroonratana ^{/62} | Chief Operating Officer - Livestock Business |
| 4. | Mr. Paisan Chirakitcharearn ^{/62} | Chief Financial Officer |
| 5. | Ms. Pimonrat Reephattanavijitkul ^{/62} | Chief People Officer |
| 6. | Mr. Rewat Hathaisattayapong | Head of Livestock Feed Business |
| 7. | Mr. Somporn Jermpong | Head of Swine Business |

^{/62} In accordance with the definition stipulated in Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

8.	Mr. Panuwat	Niamprem	Head of Integrated Poultry Business
9.	Mr. Somkid	Wannalukkhee	Head of Layer Business
10.	Mr. Pairoj	Apiruknosit	Head of Aquaculture Integrated Business (Thailand)
11.	Mr. Sujarit	Mayalarp	President of CPF Global Food Solution Plc. (Trading Business of fresh meat and food products, restaurant business and pet snack business)
12.	Mr. Ekpiya	Ua-wutthikerk	President of CPF Food Network Co., Ltd. (International Trade Business)
13.	Mr. Sunthorn	Jaksukan	President of CPF Restaurant and Food Chain Co., Ltd. (Five Star Business)
14.	Ms. Lalana	Boonngamsri	President of Chester Food Co., Ltd. (Restaurant Business)
15.	Mr. Kitisak	Limamphai	President of International Pet Food Co., Ltd. (Pet Snack Business)
16.	Mr. Paisarn	Kruawongvanich	Chief Executive Officer - Feed Ingredient Trading Business Group
17.	Mr. Robins Pharr	Mcintosh Jr.	Head of Aqua Broodstock Business
18.	Dr. Ming Dang	Chen	Head of Aquatic Feed Research and Development
19.	Mrs. Wilailuck	Klodpeng	Acting Head of Corporate Food Quality Assurance
20.	Mr. Narerk	Mangkeo	President of CPF Food and Beverage Co., Ltd. (Ready-to-Eat Food Business)
21.	Mr. Peerapong	Krinchai	Head of Central Engineering
22.	Mr. Premsak	Wanuchsoontorn	Head of Aquaculture Research and Development
23.	Ms. Nalinee	Robinson	Head of Research and Development
24.	Mrs. Wanthanee	Chamnanshettakarn	Head of Egg Processing, Bread and Ready-to-Eat Paet Riew Business
25.	Mr. Sunsern	Samaisut	President of CPF IT Center Co.,Ltd. (Information Technology and Applications)
26.	Mr. Voravit	Janthanakul	Executive Vice President - General Administration Unit
27.	Mrs. Kobboon	Srichai	Company Secretary & Head of Corporate Affairs and Investor Relations

Executives who are responsible for International operations comprises the following:

1.	Mr. Bai Shanlin		President - China
2.	Mr. Montri	Suwanposri	President - Vietnam
3.	Mr. Nick	Shaw	Group Managing Director - United Kingdom
4.	Mr. Thong	Chotirat	President - Republic of China (Taiwan)
5.	Mr. Sittiphorn	Phrommajun	President - India Livestock Business
6.	Mr. Chakgrit	Veeranakin	President - India Aquaculture Business
7.	Mr. Anat	Julintron	Chief Executive Officer - United States
8.	Mr. Sakol	Cheevakoset	President - The Phillipines
9.	Mr. Montree	Srihamontree	President - Malaysia Livestock Business
10.	Mr. Wirat	Phothiphan	President - Malaysia Aquaculture Business
11.	Mr. Thomas	Norgaard	President - Russia Swine Business
12.	Mr. Buree	Srina	General Director - Russia Integrated Poultry Business
13.	Mr. Wittaya	Kreangkriwit	President - Cambodia
14.	Mr. Mehmet Ali	Tekin	President - Türkiye
15.	Mr. Thamnong	Pholthongmak	President - Laos
16.	Mr. Cesar	Lipka	Chief Executive Officer - Poland
17.	Mr. Michael	Tops	Managing Director - Belgium
18.	Ms. Ameena	Ziauddin	Managing Director - Sri Lanka

Roles and Responsibilities of Chief Executive Officer (CEO)

Chief Executive Officer (CEO), who holds the highest management position in the Company, is appointed by the Board of Directors to manage the operations of the Company, so as to achieve the Company's objectives and goals agreed by the Board of Directors. He is responsible for proper governance of the Company with fairness, to achieve maximum benefits for all stakeholders as well as to oversee the disclosure of the Company's general and financial information according to best practices. In addition, CEO has authority for carrying out any duties according to the Company's normal operation. However, CEO does not have authority in the following matters, which outline *'the limitations of CEO's authority'*:

- (1) To enter into transactions involving a potential conflict of interest which have not been approved by the Board of Directors and the Notification of the Capital Market Supervisory Board, which requires such transactions to be approved by either the Board of Directors or the Company's shareholders
- (2) To sell or write-off any assets from the accounting book must be approved by the Board of Directors or the Company's shareholders, in accordance with the financial principles of the Company.
- (3) To enter into any transaction with any person to provide or accept financial assistance, such as lending money, guaranteeing, providing assets as collateral, and other similar acts, with the exception of:
 - 3.1 Short-term loans between the Company and subsidiaries in which the Company directly or indirectly holds at least 90% of the shares.
 - 3.2 Short-term loans between subsidiaries in which there is no party connected with the Company who holds in excess of 10% of the shares in the subsidiaries.
- (4) To approve the annual budget or any additional investment budget during the year, where the value of the project is more than THB 100 million.
- (5) To acquire or dispose of investments (held as equity or debt instruments) in any company that infringes the Company's financial principles must be approved by the Board of Directors or the Company's shareholders.
- (6) Any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting.

Compensation of Executives

The consideration on remuneration of executives and employees at all levels is based on results of performance assessment with organization indicators other than work achievement in terms of economic success. It includes sustainability indicators which comprise compliances with CPF VALUE and Code of Conduct, personnel development, social responsibility goals and environmental goals. The Board of Directors delegates the responsibility of determining criteria for the performance assessment and compensation, as well as salary adjustment and other benefits for Chief Operating Officer (COO) and top executives of major business lines to the Executive Committee.

Monetary remuneration Monetary remuneration in 2023 for 5 executives⁶³ amounted to a total of THB 197 million, inclusive of monthly salary and other benefits. Additionally, the total value of CPF shares held by these executives as of December 31, 2023 in relation to their total remuneration was 0.03 times.

Other remuneration - None -

7.5 Personnel

As of December 31, 2023, the Company employed a total of 135,446 individuals, including both employees and workers. The remuneration provided to these employees and workers in 2023 amounted to THB 61,254 million. This remuneration included various forms such as salary, wages, and other benefits. Number of employees and workers can be grouped according to the main business units as follows:

Major functions	Number of	
	Employees	Workers*
1. Operation units	38,306	83,008
2. Central units	12,187	1,945
Total	50,493	84,953

* Workers mean monthly workers, daily workers and part-time workers

Provident Fund as of December 31, 2023

Company / Subsidiary	Provident Fund	Number of employees joining Provident Fund	% of employees joining Provident Fund to total employees
CPF	No	N/A	N/A
CPF Food Global Solution Plc.	Yes	1,546	60%

⁶³ Compensation of executives with the definition stipulated in Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

7.6 Company Secretary

The Board of Directors Meeting, convened on February 18, 2019, passed a resolution to appoint Mrs. Kobboon Srichai to be the Company Secretary, effective from March 1, 2019, due to her experience as well as knowledge and understanding of the Company's businesses. She also possess adequate knowledge concerning finance, legal matters and regulations related to securities laws including other relevant laws to perform her role efficiently. The Company Secretary is responsible for (1) preparing and maintaining the profile of directors, (2) preparing and maintaining notice for and minutes of the meetings, the Company's Annual Reports, notice and minutes of shareholders meetings, (3) maintaining the directors' and executives' report on conflict of interest, and (4) performing other duties as required by the Capital Market Supervisory Board including supporting the Board of Directors in performing its roles and responsibilities (the qualifications of Company Secretary are shown in Attachment 1).

Bookkeeper

Mr. Santi Vitayapipopskul

Head of Internal Audit and Risk Management

Ms. Wipawan Pramoonkwamdee

Head of Compliance

Mr. Sunpeera Ninkham

Head of Investor Relations and Capital Market

Mrs. Kobboon Srichai

Auditor and Remuneration

The Audit and Risk Management Committee is responsible for selecting auditors and proposes to the Annual General Meeting of Shareholders for appointment, according to the rules of the Securities and Exchange Commission, by regular reviewing the qualifications of auditors include performance and remuneration. The Audit and Risk Management Committee, therefore, has criteria for auditor firm selection process which shall be taken on at least every seven accounting period. The latest selection process took place since the appointment of auditor for the accounting year 2018.

The Audit and Risk Management Committee reviewed base on the above criteria and opined to propose Mrs. Munchupa Singsuksawat C.P.A. (Thailand) Registration No. 6112, Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No. 4068, and Miss Sawitree Ongksirimemongkol C.P.A. (Thailand) Registration No. 10449 of KPMG Phoomchai Audit Limited as CPF's auditors for the year 2023 to the Annual General Shareholders' Meeting No.1/2023. The Meeting then approved as proposed.

The remunerations that CPF and its subsidiaries paid to KPMG Phoomchai Audit Limited and its related companies in 2023⁽¹⁾, were as follows:

(Unit : THB)	CPF	Subsidiaries
1. The audit fees on company's accounts	3,977,000.00	78,508,790.72
2. Other audit fees on special projects	120,000.00	3,050,000.00
3. Other fees	437,000.00	11,138,704.43 ⁽²⁾

⁽¹⁾ The above fees excluded out-of-pocket expenses to be reimbursed by the Auditor

⁽²⁾ Comprised advisory fee for a subsidiary to submit IPO application to the SEC, tax consulting service fee and others

8. Major Implementations of Corporate Governance

8.1 Summary of the Board of Directors' Performance in the Past Year

8.1.1 *Nomination, Development and Assessment of the Board's Performance*

Every board member of the Company currently has residence status in Thailand. They are experienced and understand the various obstacles that can arise in the course of the Company's business operations. They undertake their roles effectively and can create competitive advantage for the Company as well as provide beneficial insights into the Company's business operations and risks relating to the Company's businesses. Furthermore, every board member is fully qualified, which means that they all possess the qualifications that are stipulated by law, i.e. as laid down in the Public Company Limited Act and Securities Act. Every Independent Director is qualified in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (No. 2) as specified in Responsibilities of the Board of Directors in Corporate Governance and Sustainable Development Policy.

Shareholders have the right to vote for the appointment of directors according to the following rules:

1. The number of votes each shareholder has is commensurate with the size of their shareholding, i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/her votes among different individuals or groups.
3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
4. At shareholder's meetings, any director can be dismissed from the Board of Directors before the end of his/her term, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

There were 5 directors whose retirement coincides with the Annual General Shareholders' Meeting No. 1/2023, namely;

- | | |
|---------------------------|--------------------|
| 1. Pol. Gen. Phatcharavat | Wongsuwan |
| 2. Mrs. Arunee | Watcharananan |
| 3. Dr. Sujint | Thammasart, D.V.M. |
| 4. Mr. Siripong | Aroonratana |
| 5. Mr. Montri | Suwanposri |

In this regard, the Remuneration and Nominating Committee had selected persons with specific knowledge and expertise required (Board Skills Matrix) to diversify the Board, including considering on educational qualifications and work experiences in both of the business and social sectors. Thus, with a unanimous resolution, the Remuneration and Nominating Committee proposed Pol. Gen. Phatcharavat Wongsuwan, Mrs. Arunee Watcharananan, Dr. Sujint Thammasart, D.V.M., Mr. Siripong Aroonratana and Mr. Montri Suwanposri to the shareholders' meeting to consider re-appointment as directors for another term. The Annual General Shareholders' Meeting No. 1/2023 approved accordingly. In addition, during 2023, Mr. Sek Wannamethee has been appointed to be the director replacing Pol. Gen. Phatcharavat Wongsuwan who resigned his position, effective from January 1, 2024 onwards.

Basic Criteria for Selection of Candidate Nominated for Election as Director include:

- 1.1 Having knowledge and expertise as required (Board Skills Matrix) as well as skills, experience and competence that are beneficial to the Company, such as related industries, accounting and finance, information technology, auditing and risk management, etc. to ensure that the candidate's qualifications are consistent with the Company's short-term and long-term business strategies, by recognising that driving the organisation towards the goals is a priority;
- 1.2 Race, nationality and gender diversity;

- 1.3 Not having prohibited characteristics as stipulated by applicable law;
- 1.4 In selection of candidate nominated for independent director, the candidate shall have qualifications as specified by the Capital Market Supervisory Board;
- 1.5 Holding director positions in no more than 5 listed companies in Thailand, whereby an executive director may hold director positions in no more than 2 other listed companies; and
- 1.6 Never been an employee or partner of an external audit company hired by the Company during the past 2 years.

The Company's shareholders are able to nominate qualified persons to serve as the Company's directors, whereas a professional search firm or a director pool database of an external institution can be used for consideration according to the Company's criteria notified to the public through the channels provided by the Stock Exchange of Thailand prior to the shareholders' meeting with the agenda of appointment of the directors.

For the nomination of senior executive, the Board of Directors assigns the Executive Committee to be responsible for selecting qualified individuals by considering factors such as knowledge, competences and relevant experiences in business to hold senior executive positions.

The Company promotes the development of directors and executives by having them attend training courses continuously to enhance knowledge, whereas the Company is responsible for all expenses. More than 90% of total number of directors have completed training courses specifically for directors organized offered by the Thai Institute of Directors. In 2023, the Company had provided the directors and executives knowledge on corporate governance and sustainability development, the Company's nature of business, such as new products, compliance process, relevant laws, along with the Company's operational guidelines on such matters. There were 3 directors participating in the trainings and seminars on the courses related to performing director duties, as follows:

- Mr. Rungson Sriworasat Board's Role in Mergers and Acquisitions (BMA) No. 6/2023 by Thai Institute of Directors Association
- Mr. Vinai Vittavasgarvej Seminar "Importance of Audit Committee and Confidence in Thai Capital Market" by The Securities and Exchange Commission, jointly with the Stock Exchange of Thailand, Federation of Accounting Professions and Thai Listed Companies Association (November 24, 2023)
- Mr. Paisan Chirakitchareem TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2023, Topic "Economic update for CFO" (May 26, 2023) by Thai Listed Companies Association
TFRS Update and Practical Issues 2023 (September 21, 2023) by KPMG Thailand
Seminar "Directions for changes in significant financial reporting and taxation standards for the year 2023" by KPMG Thailand

Regarding the director performance appraisal, the Remuneration and Nominating Committee annually reviewed and approved the revisions of the performance appraisal forms for the Board, the individual director and the committees. The Board assessment covers three major areas, i.e. (1) structure and qualifications of the Board (2) roles and responsibilities of the Board and relationship with management. The scoring can be classified into 4 levels :

More than 80%	Excellent
70%-80%	Good
60%-70%	Fair
Less than 60%	Needs improvement

The evaluation result of the performance of the Board as a whole, assessed by the Remuneration and Nominating Committee, for the year 2023 was Excellent. It can be concluded that structure and characteristics of the Board are appropriate for the nature of the Company's business and revenue size which enable the Board to perform its duty effectively. Meanwhile, Board of Directors paid much attention to consider various agendas and monitor the performance of previous approved investment projects as well as matters related to good corporate governance such as risk

management, internal control/audit and compliance. Directors has discussed productively and respected different view without restraint and without conflicts among directors and management. In addition, the Board has also regularly undertaken self-development to enhance their knowledge in various topics that are beneficial to the business operations of the Company.

For the performance evaluation of individual directors, each director has to assess his/her performance covering two major areas, i.e. (1) director' knowledge and understanding, and (2) the performance of duties as a director. The assessment for the year 2023 was excellent and can be concluded that overall, all directors have knowledge and understanding of the roles and responsibilities as director. Directors have adequate knowledge and factors that will affect the Company's business to perform their duties prudently and appropriately.

In addition, evaluation of the performance of each sub-committee has been conducted and reported to the Board of Directors at least once a year covering three major areas, i.e. (1) structure and qualifications of the sub-committee, (2) roles and responsibilities of the sub-committee and (3) meeting of the sub-committee. The assessments for the year 2023 of Audit and Risk Management Committee, Corporate Governance and Sustainable Development Committee and Remuneration and Nominating Committee were excellent.

In this regard, the Board of Directors will be informed of the results of the performance assessment of the Board of Directors. individual director and sub-committees annually. The Board of Directors will take all evaluation results into consideration in order to improve the efficiency of the Board of Directors' duties, individual director and sub-committees.

8.1.2 Directors' Attendance and Remuneration

The Company values the Board of Directors' meetings and therefore informs the Board of Directors of the meeting schedule in advance annually so that the directors can allocate time to attend the meeting in unison. The Board of Directors' meeting has a clear agenda and the Company sends the invitation letter and supporting documents at least 5 business days in advance to give the directors time to review the information before attending the meeting. At the Board of Directors' Meeting, all directors are free to express their opinions. In addition, the Company facilitates directors to attend the meetings through electronic channels, according to the Emergency Decree on Electronic Meeting B.E.2563 (2020)

After each Board of Directors' meeting, the Company has prepared written minutes of the meeting to submit to the directors and kept along with meeting invitation letters and supporting documents for reference.

Directors' Attendance at the Meetings in 2023

Name	Surname	Number of Meetings Attended ⁽¹⁾				Annual General Shareholders' Meeting No. 1/2023
		Directors Meeting				
		Board of Directors	Audit & Risk Management Committee	Remuneration & Nominating Committee	Corporate Governance & Sustainable Development Committee	
1. Mr. Soopakij	Chearavanont	8/8				Attend
2. Mr. Phongthep	Chiaravanont	8/8				Attend
3. Mr. Suphachai	Chearavanont	7/8		3/3		Abstain
4. Mr. Adirek	Sripratak	8/8		3/3	2/2	Attend
5. Mr. Rungson	Sriworasart	8/8	9/9		2/2	Attend
6. Pol. Gen. Phatcharavat	Wongsuwan ⁽²⁾	6/6		1/1	1/1	Attend
7. Mrs. Vatchari	Vimooktayon	8/8	9/9			Attend
8. Mr. Vinai	Vittavasgarvej ⁽³⁾	8/8	9/9	3/3		Attend
9. Professor Dr. Kittipong	Kittayarak	8/8	8/9		2/2	Attend
10. Mrs. Arunee	Watcharananan	8/8				Attend
11. Mr. Prasit	Boondoungprasert	7/8				Attend
12. Dr. Sujint	Thammasart, D.V.M.	8/8				Attend
13. Mr. Siripong	Aroonratana	8/8				Attend
14. Mr. Paisan	Chirakitcharem	8/8				Attend
15. Mr. Montri	Suwanposri	8/8				Attend

Remarks ⁽¹⁾ The number of meeting attended is counted according to the term of office

⁽²⁾ Resigned from his position as a director with effect from August 30, 2023

⁽³⁾ Being appointed as Chairman of Remuneration & Nominating Committee effective from November 13, 2023 in replacement of Pol. Gen. Phatcharavat Wongsuwan who tendered his resignation

In addition to the above meetings, non-executive directors held 1 meeting in 2023, to discuss matters relating to the Company's overall management, without any management personnel in such meeting.

Remuneration of the Board of Directors

Monetary remuneration The Annual General Shareholders' Meeting No. 1/2023 approved the remuneration for directors as follows:

(1) Monthly remuneration

The monthly remuneration for each director in accordance with the position in the Board of Directors is as follows:

Chairman	THB 200,000 per month
Vice Chairman	THB 150,000 per month
Director	THB 100,000 per month

(2) Special remuneration

The special remuneration for entire Board of Directors is at the rate of 0.50% of annual dividend payment of each year. The special remuneration will be allocated at the discretion of the Board of Directors.

(3) Other remuneration

None

However, any director being the Company's employee or holding a position as a member of Audit and Risk Management Committee or other sub-committees shall receive the director's remuneration as above mentioned in addition to his salary as employee or remuneration as member of Audit and Risk Management Committee or other sub-committees, as the case may be. The remuneration for other sub-committees are as follows:

		(Unit : THB)	
		Chairman	Member
1. Audit and Risk Management Committee	per month	450,000	200,000
2. Corporate Social Responsibility and Sustainable Development Committee	per meeting	50,000	30,000
3. Remuneration and Nominating Committee	per meeting	50,000	30,000

The monetary remuneration in 2023 of the Board of Directors amounted to a total of THB 20.6 million.

In addition, some directors also received remuneration as director of subsidiaries which amounted to THB 12.1 million. Remuneration of the Audit and Risk Management Committee for 2023 was THB 12.6 million. Details of these are given in the following table:

Name	Surname	2023					CPF shares value ⁽¹⁾ held by each director / his (her) CPF director remuneration (times)
		CPF				Subsidiaries	
		Director ⁽¹⁾	Audit & Risk Management Committee	Remuneration & Nominating Committee	Corporate Governance & Sustainable Development Committee	Director	
1. Mr. Soopakij	Chearavanont	2,400,000	-	-	-	2,400,000	-
2. Mr. Phongthep	Chiaravanont	1,800,000	-	-	-	-	11.98
3. Mr. Suphachai	Chearavanont	1,800,000	-	90,000	-	1,920,000	-
4. Mr. Adirek	Sripatak	1,800,000	-	90,000	60,000	2,450,000	1.58
5. Mr. Rungson	Sriworasat	1,200,000	5,400,000	-	100,000	-	-
6. Professor Dr. Kittipong	Kittayarak	1,200,000	2,400,000	-	60,000	-	-
7. Mrs. Vatchari	Vimooktayon	1,200,000	2,400,000	-	-	-	-
8. Mr. Vinai	Vittavasgarnevej	1,200,000	2,400,000	110,000	-	-	-
9. Mrs. Arunee	Watcharananan	1,200,000	-	-	-	320,000	133.61
10. Mr. Prasit	Boondoungprasert	1,200,000	-	-	-	2,420,000	-
11. Dr. Sujint	Thammasart, D.V.M.	1,200,000	-	-	-	-	2.26
12. Mr. Siripong	Aroonratana	1,200,000	-	-	-	410,000	1.06
13. Mr. Paisan	Chirakitchareem	1,200,000	-	-	-	2,180,000	1.62
14. Mr. Montri	Suwanposri	1,200,000	-	-	-	-	2.77
15. Pol. Gen. Phatcharavat	Wongsuwan ⁽²⁾	800,000	-	50,000	30,000	-	-

Remarks ⁽¹⁾ Calculated from closing price on December 28, 2023

⁽²⁾ Resigned from his position as a director with effect from August 30, 2023

8.1.3 Supervision of Subsidiaries and Associate Companies' Operations

CPF supervises its subsidiaries with the Board of Directors to consider and approve goals, strategies and business plans including important policies such as financial management, capital management, risk management, allocating and resources management. The Boards also supervises the management to implement such policies with efficiency and effectiveness. The Executive Committee is responsible for screening and monitoring closely. In addition, CPF has a policy to appoint a representative to serve as a director with controlling authority in a subsidiary to monitor and supervise the management of the subsidiary in accordance with various strategies and policies. In this regard, in the event that a company of which CPF is holding its shares hold a shareholder meeting, the CPF's Board of Directors shall consider voting on each agenda item, including appointing a proxy to attend the said meeting.

Corporate governance, which includes supervising the business, managing risk, compliance as well as internal control and internal audit, is conducted by central departments, to be confident that the Company's subsidiaries are conducting operations to the same standard in compliance with the pertinent rules, regulations and criteria. There is consistent monitoring, supervision and reporting of operations to the pertinent subcommittees appointed by the Board of Directors to consider or acknowledge (whichever is the case), such as the Audit and Risk Management Committee and the Corporate Governance and Sustainable Development Committee. Also, audit company of CPF will be appointed to be the auditors of all subsidiaries of CPF, which incorporated in Thailand. In case that some of CPF subsidiaries in other countries are not audited by the same auditor firm, CPF's Board of Directors is responsible for ensuring that such subsidiaries are able to prepare their financial statements within the schedules.

For a joint venture company, CPF shall govern in accordance with the mutual agreed strategies outlined in the joint venture agreement.

8.1.4 Monitoring Compliance with the Corporate Governance Policy and Practices

Prevention of Conflicts of Interest

The Company upholds a steadfast commitment to conducting business with honesty, integrity, transparency, and a strong sense of responsibility. In line with this ethos, the Company has established stringent measures to prevent the misuse of authority or any behavior that could lead to personal gain and potentially result in conflicts of interest, which might tarnish the Company's reputation. To mitigate such risks, the Company mandates that **all employees refrain from engaging in any activities that present a conflicting interest**. Moreover, employees are obligated to promptly report any potential conflicts of interest to their superiors or relevant authorities. Superiors, in turn, bear the responsibility of promptly informing the Human Resources Department, adhering to the guidelines set forth by the the Human Resources Department.

For the Company Board of Director's meetings, if any **board member has a vested interest in the agenda under consideration, that board member must immediately disclose the details of the vested interest to the board. Furthermore, they must abstain from participating in the decision-making process related to that agenda.** Additionally, board members and executives, as defined by the SEC, have the responsibility to **report their vested interests and those of related individuals when assuming office and whenever there is a change in this information** to the Company. The Company Secretary's office will send a copy of such reports to the Chairman of the Board and the Chairman of the Audit and Risk Management Committee within 7 days of receiving the report. This is to ensure that the Company has the necessary information to comply with the requirements related to transactions that may involve conflicts of interest and could result in the transfer of the Company's benefits.

During the year 2023, the Company communicated its guideline for preventing conflicts of interest to the board members, executives, and all employees through electronic media. Additionally, the Company has revamped the reporting format for the vested interests of board members and executives to an online system. This change facilitates both reporting and accessing information, ensuring that the database is regularly updated.

In 2023, the Company entered into related transactions which were (1) normal business transactions or supporting normal business which had general commercial terms and in accordance with the principles of entering into the transaction as prescribed in Section 89/12(1) of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which the Board of Directors

approved in 2008, and (2) transactions that were not normal business or supporting normal business in accordance with the conditions prescribed in the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, Re: Rules on Connected Transactions for Transactions That Are not Normal Business or Supporting Normal Business, i.e. the acquisition of "FIVE STAR" trademark from CPG, purchased land for farm business from CPG and the divestment of 4 integrated broiler companies in China to subsidiary of CPG. The Company fully complied with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand.

Supervision of Inside Information Usage

All shareholders are to be treated equally and fairly in accordance with their fundamental rights. Therefore, the Company has a policy and guidelines on the use of Company's inside information for wrongful benefit of oneself or others, which may cause damage to the shareholders as a whole, including encouraging equal treatment of all shareholders, as follows:

1. The Company has the **policy on the use of inside information and securities trading** to ensure that important information concerning changes in the price or value of securities is correctly disclosed to the public, and is not in breach of the pertinent laws and regulations. All directors, executives, employees and workers must adhere to the same guidelines. This policy covers methods to manage internal information, types of internal information that must be disclosed, and the methods used to disclose internal information. It is stipulated for directors, executives and all persons with access to internal information to reports of their holdings and trading of the Company's securities within the stipulated timeframe. The Company Secretary Office must also report changes in the securities holdings of the directors and executives to the Board meeting on a quarterly basis and report changes in the securities holdings of the persons who can access to inside information to the Executive Committee meeting on a quarterly basis. In addition, the regulation on securities trading also clearly specify the blackout periods as follows: (1) since the following date after the end of each quarter until (include) the day which CPF discloses its quarterly financial performance (2) since the beginning of project containing significant information which have not yet been disclosed to the stock exchange which have not disclosed publicly until (include) the end of such project and (3) any other period that the Company Secretary might specify from time to time.

Information Control



Policy on the Use of Inside Information and Securities Trading



Information Security Policy and Standard



Insider list

Directors, executives, or individuals with access to inside information who intend to buy or sell securities issued by the Company **are obligated to notify the Company Secretary Office**. This notification must be provided at least one business day prior to the transaction date.

In 2023, the policy on the use of inside information and securities trading has been communicated to every executives and employees through electronic media. During 2023, a director conducted a trading transaction in the Company's securities and fully complied with policy stipulated by the Company. And it was not found that any director, executive or person with access to internal information conducted trades during blackout periods.

2. **Policies and standards for information and technology security** has been established to determine directions, principles and frameworks of stipulations in protecting property concerned with IT to be safe from cyber threats, which may damage the confidentiality, validity and availability of data and IT systems. This is to encourage internal control of IT to be stringent under a Risk Based Approach that is consistent with international standards. It is also to support employee awareness of the key importance of cyber-security, including giving priority to IT risk management.
3. The Company has **prepared name lists of working groups' members undertaking projects that contain significant information which have not yet been disclosed to the stock exchange**. All persons who can access to internal information must strictly comply with the policy and regulations relating to the use of inside information.

Anti-Corruption

In order to ensure that business operations adhere to these principles, the Company has established an **anti-corruption policy** as a guiding framework for the Board of Directors, executives, and employees to strictly adhere to. This framework aims to collectively create values in operations with honesty, integrity, transparency, verifiability, and a free-from-corruption culture as the organizational norm. It is considered a crucial aspect that enables the organization to achieve its defined goals and contribute to sustainable organizational development. The Board of Directors, executives, and employees are obligated not to engage in or accept corruption in any form, either directly or indirectly, covering all business units and departments of the Company. **Regular examination of compliance with this anti-corruption policy is conducted, including a review of practices and procedures to ensure alignment with changes in business, regulations, laws, and rules.** Investors can access the Company's anti-corruption policy on the website www.cpfworldwide.com/en/investors/report-56-1-2023/attachment. Moreover, the Company communicates its anti-corruption policy and practices to employees at all levels through various formats and channels.

In the year 2023, the Company undertook measures to combat corruption and corporate fraud as follows:

1. Communication of the rules and guidance in both Thai and English languages is carried out to ensure that employees are informed of the correct practices without violating the anti-corruption policy in various situations. This is done through different channels such as email, the Intranet system (CPF Connect), and Facebook.
2. Received a membership renewal from the Thai Private Sector Collective Action against Corruption or CAC, effective from March 31, 2021, onwards. Such certification will be valid for 3 years from the date of approval.
3. Awarded the CAC Change Agent Award 2023 for promoting SME suppliers to engage with CAC SMEs program for transparency in the supply chain, underlining the company's commitment to the principles of good corporate governance throughout the supply chain, and demonstrating the cooperation against corruption in the private sector. This has fostered the creation of a business network under the principles of good governance, and extended the anti-corruption collective to business partners.
4. Continuous development and improvement of the training content in the Anti-corruption course is undertaken to enhance awareness and understanding, ensuring that personnel adhere to proper conduct. Learning materials are crafted in both online and offline formats, catering to domestic and international audiences. This approach allows personnel from all countries to learn, comprehend, and apply the principles correctly. At least once a year, in accordance with Company policies, all personnel are required to engage in a knowledge and understanding review as a regular practice.
5. Participating in the demonstration of resistance against corruption on the International Anti-Corruption Day, September 6, 2023, under the theme "WHAT THE FACT? If you're curious, just search ACTAi." The objective is to raise awareness and prompt individuals in society to recognize the corruption issues occurring in Thailand. The initiative aims to foster diverse forms of collaboration to eliminate corruption problems altogether.



Whistleblowing

The Company has announced the whistleblowing policy (<https://www.cpfworldwide.com/content/en/governance/whistleblowingpolicy.pdf>) in order to provide its employees, stakeholders or third parties with opportunities for whistleblowing or lodging complaints relating to any violation of law and code of conduct or corruption or infringement of rights through a wide range of channels, including independent directors and Audit and Risk Management Committee contact channels, as follows:

The Whistleblowing Process

Whistleblowing Procedure

- 1  **Internal or external stakeholders lodge complaints**
- 2  **Contact channels 24 hours**
- 3  **Audit Committee & Internal Audit**
- 4  **Investigation process**
- 5  **Appropriate action**
- 6  **Report to Audit Committee & Board of Directors**

Audit and Risk Management Committee

Address: 1,1/1 Soi Yen Chit 2, Intersection 1, Sapsamut Building 2, 4th floor, Yen Chit Road, Thung Wat Don, Sathon, Bangkok 10120

Tel.: 0-2780-8779 and 097-190-5848

Fax: 0-2780-8787

E-mail: iaoffice@cpf.co.th

Website: <https://www.cpfworldwide.com/en/contact/form>

Consumer Center

Tel.: 0-2800-8000

E-mail: consumercenter@cpf.co.th

Whistleblowers, both employees or third parties, business partners or business partners will receive appropriate protection from the Company, including protection from harassment whereas information about complaints will be treated confidential and will not be disclosed to unrelated persons unless it is necessary to be revealed according to legal provision. In addition, there will be no dismissal or suspension or job change or disciplinary action against the informant Including providing fairness and protection to employees who refuse to commit any act that is considered corruption.

The Audit and Risk Management Committee who is independent from management will consider and Internal Audit Office will examine all whistleblowing

and complaints. In 2023, the Company received a total of 86 complaints through various channels. After investigation, it was found that 1 case involved corruption and 13 cases related to non-compliance matter or matters related to improper behavior or matters with impact to community/environment. The Company had taken appropriate disciplinary actions against the wrongdoers in accordance with the Company's regulations, specifying the details and measures implemented, as indicated in the table below. Notably, these incidents did not have any significant impact on the Company, either in terms of its reputation or finances.



Type	No. of Cases	Disciplinary Actions			
		Verbal admonition	Written admonition	Suspension	Termination
1. Fraud	1	-	-	-	1 (7 people)
2. Non-compliance	13	3 (4 people)	2 (2 people)	-	1 (1 people)
3. Corruption and bribery	-	-	-	-	-
4. Discrimination and Harassment	-	-	-	-	-
5. Conflicts of interest	-	-	-	-	-
6. Money laundering and insider trading	-	-	-	-	-

Compliance

The Company prioritizes complying with laws and regulations related to the Company's business operations, including the business code of conduct to promote and support the Company's sustainable growth and gain the trust and confidence of shareholders and other stakeholders. The Company has established a policy to supervise the regulatory compliance, which directors, executives, and employees at all levels need to follow. The Corporate Compliance Office is the central unit to coordinate with various departments for supervision, as well as appoint a Compliance & Risk Champion for each business and main unit to coordinate and support more effective supervision. As for the regulatory process, the Corporate Compliance Office has implemented the following actions:

- Newly announced legal updates or changes that may impact the business are tracked and communicated to the management of each business unit. This is done through meetings of the Management Committee, ensuring that executives are informed. Additionally, communication channels are utilized to inform operational staff about these updates, ensuring widespread awareness throughout the organization via the Compliance & Risk Champion. The training sessions on laws that impact the business are designed to ensure that both management and/or relevant operational staff are informed and aware of the legal implications for the business.
- Establishment of a robust process for monitoring the regulatory compliance and the business code of conduct through self-assessments, survey and a Desktop Review as well as an onsite review. In case of any issues detected, the Corporate Compliance Office will take action and monitor together with relevant units to improve work processes.
- Establishment of a comprehensive process for managing cases of non-compliance to mitigate their impact, prevent recurrence, and bring such incidents to communicate to the leadership team and relevant business units through presentations at executive meetings, trainings, and visual communication (Infographic). In addition, channels have been added for reporting non-compliance cases through the Compliance Page so that the Corporate Compliance Office and relevant units can implement various management measures in a timely manner.
- The Company actively fosters awareness about the significance of regulatory compliance and adherence to the business code of conduct. This is achieved by continually enhancing the knowledge and understanding of both executives and employees through diverse methods and channels. Notably, this includes the creation of infographics summarizing new laws crucial to business operations, the business code of conduct, and the Company's principal policies, all designed for straightforward comprehension and recall. Additionally, the Company offers a dedicated Compliance Page, enabling executives and employees to easily access key laws and organizational policies relevant to business operations. Furthermore, a comprehensive Compliance E-learning course is available, incorporating the Code of Conduct and Compliance Awareness Survey. This course focuses on the crucial role of compliance as a collective responsibility within the Company. The outcomes of these awareness efforts are utilized to refine and enhance the supervision of rule adherence, ensuring greater efficiency in compliance processes.
- Regularly report the results of the regulatory compliance and the business code of conduct to the Audit and Risk Management Committee and/or relevant executives.
- Incorporation of regulatory compliance and adherence to the business code of conduct as key performance evaluation criteria for executives and employees for their annual performance assessment, salary adjustments, and position adjustments to promote and support regulatory compliance throughout the organization.



WELCOME TO
CORPORATE COMPLIANCE OFFICE

สำนึกทำกับการปฏิบัติตามกฎเกณฑ์



Stakeholders' Personal Data Protection

Throughout one year after the Personal Data Protection Act B.E. 2562 (2020) (PDPA) coming into effect on June 1, 2022, the Company continues its steadfast commitment to adhering to personal data protection laws. This includes the appointment of a Data Protection Officer (DPO) in collaboration with relevant departments in being responsible for providing guidance, conducting monitoring and audits, developing and disseminating practice guidelines, and organizing training sessions. These efforts aim to ensure that all company personnel are well-informed about the proper handling of personal data and can conduct their duties in compliance with both local laws and international standards.



Announcements about PDPA and guidance



PDPA Laws in Thailand and Oversea



Information about PDPA



Case Study



DPO Contact

Furthermore, the Company has designated Data Coordinators in each business and primary unit, bolstering the comprehensive implementation of personal data protection for all stakeholders within the organization.

The Company regularly updates and announces the Privacy Notice on the Company's website at <https://www.cpfworldwide.com/en/privacynotice> to inform stakeholders the detailed information about how the Company collects, processes, and protects personal data in a transparent and fair manner. Additionally, stakeholders are invited to reach out to the Company for further information and to exercise their rights related to personal data protection by emailing dpooffice@cpf.co.th.

8.2 Audit and Risk Management Committee Activities during 2023

Significant activities carried out by the Audit and Risk Management Committee during 2023 under the scope of duties and responsibilities can be summarized, as follows:

1. Financial Reports Review

The Audit and Risk Management Committee conducts quarterly and annual reviews of the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements, as well as disclosures in the financial statements and related transactions, all of which had been prepared in accordance with the Thai financial reporting standards and those of the Securities and Exchange Commission. The Audit and Risk Management Committee participated in meetings with the external auditor and the executives being responsible for finance and accounting every quarter. In the meetings, important issues were reviewed and discussed, for instance, accuracy of the financial reports, appropriateness of the accounting policy, key audit matters related to the Company and its subsidiaries, changes in accounting standards that might affect the Company's financial reports and independence of the auditor.

In addition, the Audit and Risk Management Committee had reviewed the audit plan and performance of the auditor, including participating in meetings with the auditor, without the presence of the Company's management, in order to discuss the auditor's independence in performing their duties as well as suspected corrupt behaviors and significant flaws in the internal control system or violation of the laws related to duties of directors and executives according to the Securities and Exchange Act, B.E. 2559 (A.D. 2016). In 2023, no significant comments were provided by the auditor, and there were no suspected behaviors reported.

2. Internal Control System Review

the Audit and Risk Management Committee had placed importance on the internal control system by considering audit reports prepared and assessed by the Internal Audit Office to validate that the Company has appropriate and adequate internal control system as well as ensuring the compliance with the regulations and guidelines set

out by the Company, including information technology controls. Moreover, the Audit and Risk Management Committee had also monitored to reaffirm that the management made completed corrections and solved issues at root causes to prevent recurrence of incidents, especially high-risk issues or fraud risk factors.

Additionally, the Audit and Risk Management Committee had acknowledged the reports summarizing the complaints made through whistleblower channel in order to evaluate whether the complaints were related to fraudulent behavior or corruption, as well as managing complaints to ensure its appropriateness and transparency.

3. Internal Audit Supervision

The Audit and Risk Management Committee had reviewed the independence of the Internal Audit Department and approved the review of the internal audit charter and the annual audit plan. Furthermore, the Audit and Risk Management Committee had evaluated performance of Head of the Internal Audit Office and acknowledged the internal audit reports of the Company and its subsidiaries. It also inquired, rendered advice, and followed up the corrective actions on significant issues in order to establish good corporate governance. The Audit and Risk Management Committee had also provided recommendations for the development of the Internal Audit Office's personnel, tools and technologies to ensure that the internal audit had been carried out efficiently and effectively.

4. Risk Management Review

The Audit and Risk Management Committee had reviewed the adequacy and effectiveness of the Company's risk management policy and strategy by having regular meetings with the executives who are responsible for the Company's risk management to acknowledge both external and internal risk factors, risk assessment results, and guidelines for limiting risks to Company's risk appetite, including providing suggestions for improvements. The Audit and Risk Management Committee had also placed emphasis on emerging risks due to rapid changes .

5. Compliance Review

The Audit and Risk Management Committee had reviewed the results of law and regulation compliance through the meetings with the management of the Compliance Office and the departments being responsible for supervision and control. The Audit and Risk Management Committee had interrogated about various issues to ensure the efficiency and effectiveness of the departments in the control and monitoring important issues, including the improvements of work processes to comply with relevant rules.

6. Review of connected transactions or related transactions

The Audit and Risk Management Committee had reviewed and provided opinions on the connected transactions or the transactions with conflicts of interest in accordance with the regulations prior to presenting them to the Board of Directors and/or the shareholders according to the transaction scale, to ensure that the transactions were transparent and reasonable.

7. Considerations on the Auditor Appointment and the Annual Audit Fee

The Audit and Risk Management Committee is responsible for considering, selecting, and nominating the auditor as well as the audit fee on an annual basis in order to propose to the Board of Directors for approval and present at the Annual General Meeting of Shareholders. According to its resolution, KPMG Phoomchai Audit Limited was appointed to be the auditor of the Company and its subsidiaries, except in some countries. The appointment was made based on qualifications, knowledge, competence, and independence of the auditor, including the appropriateness of the audit fee of CPF and its subsidiaries. Moreover, other non-audit service fees have been also considered to ensure that other services and related service fees did not affect the independence of the auditor in expressing an opinion on the financial statements.

8. Other Issues

The Audit and Risk Management Committee reviewed the Charter of the Audit and Risk Management Committee to ensure its conformity with practices and related laws, and also conducted evaluation on the performance of the Board of Directors according to an overall assessment of the Board, to ensure that the Board had performed

in accordance with the Good Practices prescribed by the Stock Exchange of Thailand. Additionally, the Committee also considered the membership renewal application to be submitted to the Thai Private Sector Collective Action against Corruption or CAC.

8.3 Activities of Other Subcommittees

Corporate Governance and Sustainable Development Committee

Significant activities carried out by the Corporate Governance and Sustainable Development Committee during 2023 under the roles and responsibilities assigned by the Board of Director can be summarized as follows:

1. Acknowledging various activities concerning corporate governance and sustainable development as follows:
 - 1.1 The results of governance and sustainable development assessments from external agencies both domestically and internationally.
 - 1.2 2023 Performance of divisions related to sustainability according to approved plans.
 - 1.3 Framework for organizational sustainability with seven key factors.
 - 1.4 Guidelines for driving the organization towards net zero emissions throughout the value chain (Net Zero 2050)
2. Determined sustainable development key performance index (SD KPI) of the organization for the year 2024.
3. Approve various policy revision related to corporate governance and sustainable development, including:
 - 3.1 Corporate governance and sustainable development policy
 - 3.2 Anti-corruption policy which encompasses the giving or receiving of gifts or any other benefits, facilitation payments, and revolving door.
 - 3.3 Conflicts of interest policy
 - 3.4 Whistleblowing policy
4. Approved goals and activities related to corporate governance and sustainable development for the year 2024.
5. Considered the results of assessments of compliance with governance and sustainable development policy in 2022.
6. Considered the results of assessments of compliance of the Governance and Sustainable Development Committee in 2022.

Remuneration and Nominating Committee

Significant activities carried out by the Remuneration and Nominating Committee during 2023 under the roles and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Review guidelines for determining the structure of the Company's Board of Directors according to international and Thai sustainability guidelines.
2. Considered the individuals qualified to be nominated as directors replacing those who vacated office. During 2023, there were 2 cases of the vacant as follows:
 - 2.1 director vacated office by rotation, whereas the qualified individuals shall be proposed to the Board of Directors and to the 2023 Annual General Shareholders' Meeting. Shareholders were given opportunities to nominate qualified individuals for being election as directors for 3 months in advance, from September 30, 2022 - December 31, 2022. The rules, channels, and timing for submitting the matters are posted on the Company's website;
 - 2.2 director vacated office by resignation, whereas the qualified individuals shall be proposed to the Board of Directors.
3. Considered the suitability of the directors' remuneration for the year 2023 in order to propose to the Board of Directors and to the 2023 Annual General Shareholders' Meeting, whereas such consideration was made according to the assigned duties, position levels in the industry and sizes of the companies as well as the Company's performance and their responsibilities.
4. Considered, reviewed and defined skills, knowledge, expertise, and experiences to be included in a composition of the Board of Directors (Board Skills Matrix) in accordance with the Company's business

strategies of both short and long terms by realising the importance of driving the organisation towards its goals in order to ensure the Company's preparedness to keep up with significant environmental changes and be able to manage risks in crises, including being beneficial to the Company's business operations.

5. Reviewed the performance appraisal form of the Company's directors, both the individual director and the Board, and of the subcommittees, to better reflect and enhance the performance of the directors and use for further director development planning.
6. Review the performance assessment of the Board of Directors in 2022, which can be summarized as follows:
 - 6.1 The structure and qualifications of the Board of Directors are appropriate for the Company's nature of business operations and size of income, resulting in the board's efficient operations.
 - 6.2 In each meeting, the Board of Directors placed importance on considering various agendas as well as following up on the performances, including approved investment projects or matters regarding sustainability. The emphasis was placed especially on the good corporate governance such as risk management, internal control and internal audit, and compliance with relevant regulations etc.
 - 6.3 During the meetings, directors expressed their opinions creatively and independently on the basis of accepting different opinions without conflicts, whether between directors or with the management team.
 - 6.4 The Remuneration and Nominating Committee presented the performance assessments of the Board of Directors and subcommittees to the Board of Directors' meeting for consideration to enhance efficiency of the Board of Directors, individual directors, and the subcommittees.

9. Internal Control System and Related Party Transactions

9.1 Internal Control

The Company realizes the importance of good corporate governance, risk management, legal and regulation compliance monitoring, efficient and effective internal control, including information technology systems. The internal control framework according to the international standard COSO (The Committee of Sponsoring Organization of Tread Way Commission) has been adopted as the Company's guideline. Moreover, there is the Internal Audit Division responsible for evaluating the internal control system of the Company and its subsidiaries, as well as domestic and international operations.

At the Board of Directors' meeting No. 1/2023 on February 27, 2023, with 4 Audit and Risk Management Committee Members, who are independent directors attending, the Board assessed the adequacy of the internal control system by considering the results of the review by the Audit and Risk Management Committee, which has been reviewed together with the Internal Audit Office according to the evaluation form issued by the Securities and Exchange Commission. It can be summarized that the Company has an appropriate and adequate internal control system under 5 significant elements, i.e. Control Environment, Risk Assessment, Control Activities, Information System and Communications and Monitoring & Evaluation System. The Company has established a comprehensive risk management framework that aligns with international standards, encompassing both corporate and activity levels while sufficient personnel have been allocated to manage risk management processes efficiently. Reports generated as part of the risk management process are accurate and reliable. Business operations are conducted in strict adherence to relevant laws and regulations. The Company also has implemented measures to protect its assets from illegal or unauthorized use by directors or executives, including transactions involving directors, executives, and related persons with potential conflicts of interest which can be summarized as follows:

1. Control Environment

The Company places a strong emphasis on fostering a culture and environment of good and effective internal control throughout its organization and subsidiaries which is appropriate and sufficient for conducting business. Employees at all levels are encouraged to adhere to the Company's culture, which prioritizes honesty, integrity, and ethical business practices. The Company has adopted a decentralized organizational structure to promote flexibility and agility in the workplace, aligning with its business model with clear chain of command, written assignments of authority and responsibility, explicit authorities of executives at each level and in each matter, determined operational goals and performance indicators. Policies, regulations, and work manuals are periodically reviewed and improved to adapt to changing situations.

2. Risk Assessment

The Company recognizes the significance of managing risks arising from both internal and external factors that impact its operations, including the global mega trends. The risk management is a crucial component of its operations at both organizational and business levels for the Company to achieve the business goals, regulatory compliance and maintain reliable reports.

The Risk Management Policy established by the Board of Directors serves as a guiding framework for consistent risk management practices across the organization. The Policy is communicated to all employees for acknowledgement. Risk assessment is conducted at all levels of the organization, encompassing various types of risks, including those related to anti-corruption. The Company has also organized activities such as training, workshop, and determined topics relating the risk management as part of the regular meetings at the business level in order to cultivate the risk management culture in the Company.

In addition, the Risk Management Sub-committee has been appointed to monitor and oversee the implementation of the Risk Management Policy, including regularly reviewing risks, assessment results and risk management activities as well as presenting such information to the Executive Committee and the Audit and Risk Management Committee.

3. Control Activities

The Company established the policies, rules and regulations, operational manuals, and authorization level in writing and regularly updated, as well as the information technology control, information system, system development and testing, and system maintenance. Moreover, the Corporate Compliance Office has managed and followed up the operations to ensure efficient regulatory compliance and transparency of transaction with third party in order to decrease impact to business, reputation and image of the Company.

The Company had improved significant operational processes as well as applying a wide range of technologies to enhance operational efficiency and effectiveness, including internal control improvement according to rapid change of situation, for instance, Robotic Process Automation (RPA), Data Analytic to predict abnormalities in various processes both main and supporting processes, which will be beneficial to the forecast in order to strengthen business potential.

4. Information System and Communications

The Company places importance on information system and communication supervision which must cover important work processes such as maintaining information security, communication network, equipment, management of unusual events, information technology problems, cyber threat management, in order to support operations and increase business competitiveness. The increasing importance of information systems has resulted in the Company organizing information system management through ISO27001, ISO27701, and ISO20000-1 certification, ensuring that security is managed, data is protected and information services is provided according to international standards. The Company engages external consultants to conduct comprehensive evaluation on management system, , hired specialized experts to perform penetration testing of important information systems and contracted external service providers, such as Security Operation Centers (SOCs), to monitor unusual information events at all times.

The Company also creates awareness and enhances information technology skills among employees by mandating all employees to undergo Information Security Awareness Training. Regular phishing campaigns are conducted to assess employees' susceptibility to phishing attacks. The performance results are systematically tracked and reported to the Information Security Committee on a monthly basis.

The Company regularly updates and disseminates its policies, regulations, and work manuals to employees through the Company's website, CPF Connect, and printed media for accuracy and in timely manner. Joint meetings are convened to facilitate collaboration and coordination among different departments which will enable teams to work together more effectively and stays abreast of emerging trends in information technology according to rapid changing situations.

In addition, the Company classifies information into different levels of confidentiality, distinguishing between internal and external data, covering access to information data storage and destruction to ensure that data management is accurate, complete, sufficient for operations and timely, including giving importance to the protection of personal data information of employee, customers, trade partners and business partners of the Company. The Company is committed to protecting personal information from unlawful use and keep such information safe according to accepted international standards.

5. Monitoring & Evaluation System

The Company has set up the system to normally control and monitor the operations through supervisors or business executives, both in terms of performance or compliances with the policies, rules, and regulations. The Internal Audit Office and the Corporate Compliance Office shall strengthen the monitoring and supervision in order to achieve the business goals, regulatory compliance and reliable reports as follows:

- The Internal Audit Office is an independent department providing assurance, evaluating the efficiency and effectiveness of internal controls, including enabling the operational performances to comply with the corporate policies, rules and regulations by risk-based audit approach and developing the annual audit plan and three-year internal audit plan for the organization according to its strategies, business goals and rapid change of situation.



Moreover, the Internal Audit Office shall provide consulting to ensure effective supervision and report the audit result directly to the Audit and Risk Management Committee at least 2 times a year while significant events will be reported immediately.

- The Compliance Office is responsible for reviewing policies and various regulations to be in accordance with the law and suitable for changing situations and monitor the operational performances of various departments to ensure their compliances with relevant laws and regulations and regularly report results of monitoring to the management and the Audit and Risk Management Committee.

9.2 Related Party Transactions⁶⁴

9.2.1 *Related Transactions which are ordinary course of business or supporting transaction* occurred during 2023, which have normal terms and conditions and conducted according to the principle of the processes of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E.(No. 4) 2008 approved by the Board of Directors of CPF with an arm-length price and commercial terms.

Related Person	Relationship ⁶⁵	Transaction	Unit : THB million	
			2023	
			Transaction Amount	Outstanding Amount
1. C.P. Tower Growth Leasehold Property Fund	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Lease liabilities Purchase of right-of-use assets Recievable	169 - 181 -	3 138 - 3
2. Kabinburi Agriculture Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) and child of Mrs. Arunee Watcharananan (director of CPF) are shareholders and child of Mrs. Arunee Watcharananan (director of CPF) are directors 	Lease liabilities Purchase of right-of-use assets	- 45	44 -
3. Bangkok Vet Drug Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses Sale of goods and other income	98 56	7 18
4. Kasetphand Industry Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Construction costs and other equipment Lease liabilities	2 1,370 -	- 138 12
5. Gosoft (Thailand) Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL Plc. ("CPALL") 	Other expenses	97	3
6. Khao C.P. Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Purchase of goods	1 482	- 4
7. K.S.P. Equipment Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income Construction costs and other equipment	2 769	- 123
8. Charoen Pokphand Group Co., Ltd. ("CPG")	<ul style="list-style-type: none"> Major shareholder of CPF (CPG directly holds 25.02% in CPF) Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont and Mr. Phongthep Chiaravanont are the common directors 	Sale of goods and other income Purchase of goods and other expenses Technical service fees Trademark license fees	15 12,044 108 4,614	2 494 1 184
9. Counter Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Bill payment services and cash in remittance process	-	131
10. Charoen Pokphand Produce Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses Lease liabilities Advance payments for purchase of goods	9 1,121 - -	2 1 1 30
11. CP Fresh Co., Ltd. (formerly Charoen Pokphand Seed Co., Ltd.)	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Suphachai Chearavanont and Mr. Adirek Sripratak are the common directors 	Purchase of goods	57	5
12. Charoen Pokphand Engineering Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Construction costs and other equipment	94	6

⁶⁴ Investors may explore related party transactions occurred during 2021-2022 in Registration Statement for the year 2021-2022 on SEC website or CPF website at <https://www.cpfworldwide.com/en/investors/report-56-1>

⁶⁵ "Related person" in this topic means the person defined in the Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 re: the definitions in the notifications relating to issue and offer of securities



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
13. Charoen Pokphand Enterprise Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Other income	2	-
		Purchase of goods and other expenses	166	12
14. Chia Tai Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Purchase of goods and other expenses	20	1
15. Chef Cares Project Co., Ltd.	<ul style="list-style-type: none"> Spouse of Mr. Soopakij Chearavanont (director of CPF) is shareholder and director 	Sale of goods and other income	225	28
		Trademark license fees	4	-
		Purchase of goods and other expenses	2	1
16. C.P. Consumer Products Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income	274	28
		Purchase of goods and other expenses	132	19
17. C.P. Trading Group Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sales of goods	112	9
18. C.P. Food Store Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	212	23
19. C.P. Poly-Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	601	60
20. C.P. Intertrade Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income	3	1
		Purchase of goods and other expenses	723	76
21. C.P. Interfood (Thailand) Co., Ltd.	<ul style="list-style-type: none"> CPG is the major shareholders 	Purchase of goods and other expenses	370	48
22. C.P. Packaging Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	120	15
23. C.P. Retailink Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Purchase of goods and other expenses	47	7
		Purchase of equipment	1	-
24. CP ALL Plc. ("CPALL")	<ul style="list-style-type: none"> Associate of CPF Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont and Professor Dr. Kittipong Kittayarak are the common directors 	Sale of goods and other income	14,368	2,901
		Other expenses	21	1
25. CP-Meiji Co., Ltd.	<ul style="list-style-type: none"> Joint venture of CPF Mr. Phongthep Chiaravanont, Mr. Adirek Sripratak, Mr. Prasit Boondoungprasert and Mr. Paisan Chirakitchareem are the common directors 	Sale of goods and other income	631	38
		Purchase of goods and other expenses	1,172	106
		Advance payments for purchase of goods	-	3
26. CP Match Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	160	23
27. CPRAM Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Sale of goods and other income	2,314	305
		Purchase of goods and other expenses	171	6
28. Dynamic Transport Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	1,227	103
		Other income	1	-
29. Dynamic Intertransport Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	26	5
30. Sapsamutr Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income	1	-
		Other expenses	39	1
		Lease liabilities	-	40
		Purchase of right-of-use assets	20	-
31. Triple P Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses	11	5
		Lease liabilities	-	35
32. True Digital Group Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of True Corporation Plc. ("TRUE") 	Other expenses	35	4
33. True Move H Communication Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE 	Other expenses	35	5
		Sale of goods and other income	6	1



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
34. True Leasing Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Lease liabilities Purchase of right-of-use assets	92 - 305	52 1,001 -
35. True Internet Corporation Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE 	Other expenses	44	6
36. True Internet Data Center Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	169	17
37. Taksawan Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses Lease liabilities	107 -	6 2
38. T.K.P. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 102	91 -
39. Ayutthaya Port & ICD Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	79	5
40. Thanakorn Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 23	20 -
41. Patcharapoom Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses Lease liabilities Purchase of right-of-use assets	3 - 58	- 55 -
42. Leadership Development Charoen Pokphand Group Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Training and seminar fees	26 253	20 13
43. P.N.S. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 142	171 -
44. Perfect Companion Group Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	1,865 84	58 16
45. Tak Charoen Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors 	Lease liabilities	-	32
46. Ross Breeders Siam Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr. Suphachai Chearavanont and Mr. Prasit Boondoungprasert are the common directors 	Sale of goods and other income	86	7
47. Watcharapatr Co., Ltd.	<ul style="list-style-type: none"> Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors 	Lease liabilities	-	36
48. Watcharapatr (Kabin) Co., Ltd.	<ul style="list-style-type: none"> Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors 	Lease liabilities	-	30
49. VLS Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities	-	32
50. Siam Food Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPAXT 	Sale of goods Purchase of goods	13 88	1 8
51. CP Aextra Plc. ("APAXT")	<ul style="list-style-type: none"> Subsidiary of CPALL Mr. Suphachai Chearavanont and Mr. Adirek Sripratak are the common directors 	Sale of goods and other income Purchase of goods and other expenses	21,700 535	3,309 48
52. Sirilux Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 86	82 -
53. ALL NOW Management Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Suphachai Chearavanont is the common director 	Other expenses	35	2
54. ALL NOW Logistics Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Suphachai Chearavanont is the common director 	Other expenses Other income	3,556 16	560 2



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
55. Arbor Acres Thailand Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr.Suphachai Chearavanont, Mr. Prasit Boondoungprasert and Mr. Paisan Chirakitcharern are the common directors 	Sale of goods and other income Purchase of goods	152 2	14 -
56. ES Harvest Co., Ltd.	<ul style="list-style-type: none"> Child of Dr. Sujint Thammasart D.V.M. (director of CPF) are shareholders and directors 	Sale of goods Purchase of goods	15 27	1 -
57. Ek-Chai Distribution System Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPAXT 	Sale of goods and other income Other expenses Purchase of right-of-use assets Lease liabilities	14,478 98 4 -	2,503 6 - 16
58. A.P.S. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 130	108 -
59. SLS Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities Purchase of right-of-use assets	- 114	95 -
60. A.S. Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Other expenses Lease liabilities Purchase of right-of-use assets	13 - 140	- 127 -
61. Advance Pharma Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses Lease liabilities Purchase of right-of-use assets	269 241 - 1	25 29 1 -
62. Ascend Commerce Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	25	5
63. Iconsiam Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Lease liabilities	29 -	- 16
64. A.P.P. Enterprise Inc.	<ul style="list-style-type: none"> Associate of CPF 	Lease liabilities	-	397
65. Andhra Pradesh Broodstock Multiplicationcentre Private Ltd.	<ul style="list-style-type: none"> Associate of CPF 	Advance payments for purchase of goods Sale of goods Purchase of goods	- 1 11	89 1 -
66. Beijing Chia Tai Breeding Science & Technology Development Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods	40 475	36 -
67. Beijing Chia Tai Feedmill Co., Ltd.	<ul style="list-style-type: none"> Joint venture of CTI 	Sale of goods Borrowings and interest expense	19 42	7 48
68. Beijing Chia Tai Livestock Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Borrowings and interest expense	2	53
69. Beijing C.P. Egg Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods	23 2	19 -
70. Beijing Dafa Chia Tai Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Purchase of goods and other expenses	32 -	12 6
71. Beijing Poultry Breeding Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods Advance payments for purchase of goods	3 250 -	2 244 2
72. C.P. Egg Industry (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods Purchase of goods	10 86	9 9



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
73. C.P. Packaging (Vietnam) Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	113	12
74. C.P. Premix (Tianjin) Co., Ltd.	● Subsidiary of CTI	Sale of goods	77	1
75. C.P. Premix (Shenyang) Co., Ltd.	● Subsidiary of CTI	Sale of goods	38	-
76. C.P. Seed (Vietnam) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods Sale of goods and other income	605 3	19 -
77. C.P. Trading Co., Ltd.	● Chearavanont family is a major shareholder	Purchase of goods	36,950	1,725
78. Chia Tai (Dongying) Swine Business Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	27	17
79. Chia Tai Food Suining Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	16 19	16 23
80. Changsha Chulian Supermarket Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	23	7
81. Charoen Pokphand Import & Export Trading (Shanghai) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expenses	948 92	1,232 28
82. Charoen Pokphand Trading India Private Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	65	1
83. Chengcheng County Chia Tai Animal Husbandry Investment Co., Ltd.	● Subsidiary of CTI	Sale of goods	36	26
84. Chengdu Chia Tai Agro-Industrial & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	61	9
85. Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder ● Mr. Soopakij Chearavanont is the common director	Other income Purchase of goods Trademark license fees Borrowings and interest payment	- 12,094 63 60	7 2,690 - 111
86. Chia Tai Animal Husbandry Technology (Kaifeng) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	12 26	8 -
87. Chia Tai Animal Husbandry Technology (Yushu) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Accounts payable	3 .1	4 54
88. Chia Tai Aquaculture (Xiamen) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expense Borrowings	36 3 -	20 - 1
89. Chia Tai C.P. Food (Guangdong) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	2,496 1 5	380 1 4
90. Chia Tai C.P. (Henan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	745 8 3	64 - 3
91. Chia Tai C.P. (Hunan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	458 2	89 1
92. Chia Tai C.P.Trading Development Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income	63	62
93. Chia Tai C.P.Trading Development (Shanghai) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	41	7
94. Chia Tai Electronic Commerce (Zhejiang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expenses Interest income and accrued interest	1,361 1 1	113 1 1



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
95. Chia Tai Feedmill Pte .Ltd.	● CPG is a major shareholder	Purchase of goods and other expenses	129	5
96. Chia Tai Feed (Hengshui) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	134	-
		Sale of goods and other income	37	-
97. Chia Tai Feed (Suqian) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	3,359	1,361
98. Chia Tai Feed (Yushu) Co., Ltd.	● Subsidiary of CTI	Accounts payable	-	1,529
		Sale of goods and other income	71	28
99. Chia Tai Feed (Zhanjiang) Co., Ltd.	● Subsidiary of CTI	Purchase of goods	1,691	-
		Sale of goods and other income	10	-
100. Chia Tai Food Enterprise (Shanghai) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	565	374
		Purchase of goods and other expenses	104	61
		Interest income and accrued interest	65	68
101. Chia Tai Food (Hubei) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	981	113
102. Chia Tai Food (Nanyang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	88	3
		Purchase of goods	10	-
103. Chia Tai Food (Yiwu) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	7	20
		Purchase of goods	1	1
		Borrowings and interest payment	1	10
104. Chia Tai (Hainan) International Trading Co., Ltd.	● Subsidiary of CTI	Purchase of goods	20	2
105. Chia Tai Henning Modern Agricultural Technology Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	23	-
106. Chia Tai Investment Co., Ltd. ("CTI")	● Associate of CPP with the company having Chearavanont family as an ultimate shareholder is the major shareholder ● Mr. Soopakij Chearavanont is the common director	Purchase of goods and other expenses	11	-
		Sale of goods and other income	23	-
107. Chia Tai Pufeng Trading Development (Suzhou) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	18	-
		Purchase of goods	14	5
		Interest income and accrued interest	4	-
108. Chia Tai Trade (Xia Men) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,790	168
		Purchase of goods and other expenses	39	3
109. Chia Tai Trading (Beijing) Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	49	29
110. Chia Tai (Xiamen) Supply Chain Management Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	40	-
111. Chongqing Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	141	15
112. C.P. Egg Products (Shandong) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	20	21
		Purchase of goods	9	7
113. CP Food (Anhui) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	714	76
		Interest income and accrued interest	1	1
114. CP Food (Gansu) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	159	14
115. CP Food (Hainan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	144	8
		Purchase of goods and other expenses	9	-
116. CP Food (Hebei) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,665	-
117. CP Food (Heilongjiang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	50	18



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
118. C.P. Food (Hengshui) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Receivable Accounts payable Borrowings and interest payment Accrued interest	- - - -	135 23 10 6
119. CP Food (Hubei) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	85 2	2 -
120. CP Food (Jiangsu) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	2,104 136 2	214 2 2
121. CP Food (Jilin) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	1,460 2	294 2
122. C.P. Food (Kaifeng) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Receivable Accounts payable Loans Accrued interest	- - - -	22 4 33 28
123. C.P. Food (Nantong) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Receivable Accounts payable Advance payments for purchase of goods Accrued interest	- - - -	43 11 242 30
124. CP Food (Shaanxi) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	188 7 1	52 2 1
125. CP Food (Shanghai) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	57	-
126. CP Food (Shanxi) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	153	14
127. CP Food (Yunnan) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	90	11
128. CP Food (Zhejiang) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	117 1	78 1
129. CP International Trading (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	78	52
130. CPPC Outdoor Wear (Vietnam) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods and other expenses	42	3
131. CP Vehicle Leasing Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses Lease liabilities	2 -	- 23
132. Fujian Pokphand Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Borrowings	1 21 -	- 10 2
133. Guangdong Zhanjiang Chia Tai Poultry Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	44 1 1	34 1 2
134. Guangdong Zhanjiang Chia Tai Poultry Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	21 297	23 -
135. Guangdong Zhanjiang Chia Tai Swine Industry Co., Ltd.	● Subsidiary of CTI	Sale of goods	25	10
136. Guangxi CP Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	289	14



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
137. Guangzhou Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	25	-
138. GuiZhou CP Pokphand Trade Chain Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	97	34
		Interest income and accrued interest	1	1
139. Hefei Chia Tai C.P. Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	59	-
		Interest income and accrued interest	1	2
140. Heilongjiang Chia Tai Enterprise Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	159	1
		Sale of goods and other income	372	51
141. Huai Lai Chia Tai Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	92	22
		Purchase of goods	131	4
		Interest income and accrued interest	1	2
142. Hubei Chia Tai Livestock & Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	25	41
		Purchase of goods and other expenses	466	51
		Advance payments for purchase of goods	-	5
143. Hunan CP Retail Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	80	5
144. Hylife Foods International Ltd.	● Subsidiary of Hylife Group Holdings Ltd.	Other expenses	34	11
145. Hylife Group Holdings Ltd.	● Joint venture of CPF	Interest income and accrued interest	56	55
		Loans	-	975
146. Indoguna (Cambodia) Co., Ltd.	● Subsidiary of APAXT	Sale of goods	63	12
147. Jiangsu Huai Yin Chia Tai Co., Ltd.	● Subsidiary of CTI	Sale of goods	4	1
		Purchase of goods	-	74
148. Jiangxi CP Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	178	44
149. Jilin Chia Tai Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	58	222
		Purchase of goods	636	150
		Advance payments for purchase of goods	-	116
150. Jilin Deda Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	278	54
		Purchase of Goods and other expenses	239	270
		Interest income and accrued interest	1	2
		Advance payments for purchase of goods	-	25
151. Kaifeng Chia Tai Co., Ltd	● Subsidiary of CTI	Purchase of goods	1,160	-
		Sale of goods and other income	7	-
152. Kalina Food AB	● Associate of CPF (the status was changed from associate to subsidiary of CPF since the third quarter of 2023 onwards)	Sale of goods	606	-
153. KP Greenery Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other income	1	1
		Purchase of Goods and other expenses	12	2
		Lease liabilities	-	107
154. KSP Vietnam Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	249	42
		Trademark license fees	2	-
		Advance payments for purchase of goods	-	8
155. Kunming Chia Tai Co., Ltd.	● Subsidiary of CTI	Purchase of goods	148	38
156. Lan Kao Chia Tai Poultry Industry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	21	-



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
157. Lianyungang Chia Tai Agro-Industry Development Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	5 1	3 83
158. Lianing Chia Tai Food Sales Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	397 5	274 4
159. Lotuss Stores (Malaysia) SDN. BHD.	● Associate of Charoen Pokphand Holdings Co., Ltd. (Related party of CPG) and indirect associate of CPALL	Sale of goods and other income	1,178	131
160. Luoyang C.P. Food Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods Advance payments for purchase of goods	17 25 -	7 8 3
161. Luoyang C.P. Lotus Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	92 5	1 -
162. Myanmar C.P. Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	93	22
163. Nantong Chia Tai Livestock & Poultry Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses	20 51	26 27
164. Nanyang Chia Tai Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	4 25	1 -
165. Nanyang Zhengda Agriculture and Animal Husbandry Co., Ltd.	● Subsidiary of CTI	Sale of goods	21	11
166. Neimenggu CP Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	126 1	40 1
167. Pizhou Chia Tai Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	17	28
168. Qingdao Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses Interest income and accrued interest Borrowings and interest payment	539 376 1 4	109 136 1 -
169. Qingdao C.P. Swine Business Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	10	29
170. Qingdao Yi Bang Bio-Engineering Co., Ltd.	● Associate of CTI	Purchase of goods and other expenses	32	52
171. Qinhuangdao Chia Tai Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expenses Interest payment	500 532 3	106 150 -
172. Sao Ta Foods Joint Stock Company	● Associate of CPF	Sale of goods	472	1
173. Shandong Bu Bee Trading Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	9 31	11 -
174. Shandong Chia Tai Ling Hua Bio-Tech Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Receivable Purchase of goods and other expenses	- 29	5 17
175. Shandong C.P. Livestock Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	6	22
176. Shanghai Litai Supply Chain Management Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	66	-
177. Shanghai Lotus Supermarket Chain Store Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	14 21	30 -



Related Person	Relationship ⁶⁵	Transaction	2023	
			Transaction Amount	Outstanding Amount
178. Shanghai Zhengcheng Machinical-Electrical Manufacturing Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods Construction costs and other equipment Advance payments for purchase of goods	1 71 -	16 - 1
179. Shanghai Zheng Yuan Computer Technology Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	39	-
180. Shanghai Zhengfu Food Processing Machinery and Engineering Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	70	1
181. Shanghai Zhengyi Machinery Engineering Technology Manufacturing Co., Ltd	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Purchase of goods	27 59	- -
182. Sichuan CP Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	88	6
183. SuperDrob S.A.	● Associate of CPF	Purchase of goods and other expenses Sale of goods and other income Advance payments for purchase of goods	3,387 125 -	211 1 3
184. Xiamen Chia Tai Agriculture Co., Ltd.	● Subsidiary of CTI	Purchase of goods Sale of goods	281 4	109 1
185. Xiangyang Chia Tai Agro-Industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	50	12
186. Xianning Chia Tai Agro-industry & Food Co., Ltd.	● Subsidiary of CTI	Sale of goods	28	5
187. Xin Bai Qin Vehicle Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Construction costs and other equipment	1 83	- 23
188. Xinjiang CP Food Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	102	11
189. Zhanjiang C.P. Lotus Supermarket Chikan QV Yuanzhulu Branch	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	385	5
190. Zhanjiang Deni Vehicle Parts Co., Ltd.	● Associate of CTEI	Accrued dividend	-	129
191. Zhejiang C.P. Livestock & Aquaculture Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Interest income and accrued interest	57 2	46 3
192. Zheng Da Bu Feng Food (Beijing) Co., Ltd.	● Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Interest income and accrued interest	680 5 4	130 - 7
193. Zhoukou Chia Tai Co., Ltd.	● Subsidiary of CTI	Sale of goods Purchase of goods	1 36	- -
194. Others*		Sale of goods and other income to other 253 related companies for the year 2023; and had 192 debtors as of December 31, 2023. Purchase of goods and other expenses from other 127 for the year 2023 and had 85 creditors as of December 31, 2023.	835 294	447 188

* Related person with transaction value of not more than THB 20 million each.

9.2.2 *Related transaction which are not in the ordinary course of business or supporting transactions*

During 2023, details of related transaction which was not in the ordinary course of business or supporting transaction conducted on the notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re. Transactions of Related Parties can be summarized as follows:

- 1) The Board of Directors convened on April 3, 2023 approved CPF Restaurant and Food Chain Co., Ltd. ("CPFRF"), a subsidiary of CPF, to enter into the acquisition of the "FIVE STAR" trademarks and service marks which are registered in 12 countries from CPG, CPF's major shareholder, to support the growth of the restaurant business under "FIVE STAR" trademarks and service marks in the total consideration of THB 317,088,000. The Board of Directors considered the above transaction and viewed that the said transaction is reasonable and beneficial to CPFRF as it will allow CPFRF to exclusively own the "ห้าดาว" trademarks and "FIVE STAR" Trademarks and Service Marks which will support the growth of restaurant business under such trademarks and service marks. The criteria determining the transaction value are appropriate.

Directors with the conflict of interest had no rights to vote in this agenda and the Audit and Risk Management Committee had no different opinion from the Board of Directors.

- 2) The Board of Directors convened on May 11, 2023 approved CPF (Thailand) Public Company Limited, a subsidiary of CPF with 99.99% stake, to acquire land from Charoen Pokphand Produce Co., Ltd., a subsidiary of CPG, in the amount of THB 101 million for its farm business. The Board of Directors considered the above transaction and viewed that the entering into transaction for its farm business is reasonable and beneficial to CPF Group. The criteria determining the transaction value are appropriate.

Directors with the conflict of interest had no rights to vote in this agenda and the Audit and Risk Management Committee had no different opinion from the Board of Directors.

- 3) The Board of Directors convened on December 12, 2023 approved CP Food Investment Limited ("CP Food"), a subsidiary of CPF (through C.P. Pokphand Co., Ltd. ("CPP")), to divest 4 integrated broiler companies in China ("Targets") to Chia Tai C.P. Trading Development Co., Ltd., a subsidiary of CPG, at the total consideration of RMB 432 million or THB 2,152 million comprising investment value of RMB 4 and the existing loan which Targets owe to CPP group as of entering into the transaction in the amount of RMB 432 million (which will be repaid after entering into the transaction). The Board of Directors considered the above transaction and viewed that the transaction is reasonable and beneficial to CPF as after the transaction, CPP' equity stake in Targets will decrease from 100.0% to 0.0% and they will no longer be subsidiaries of CPF which ultimately enhance CPF's financial position and performance due to the followings:

- No longer recognize losses from Targets
- CPP will receive loan repayment from Targets
- Debt level will decrease, resulting in lower debt to equity ratio

Directors with the conflict of interest had no rights to vote in this agenda and the Audit and Risk Management Committee had no different opinion from the Board of Directors.

9.2.3 *The Necessity and Rationality of the Related Transactions*

The related transaction entered by the Company with person who have conflict of interest has been thoroughly reviewed by the Audit and Risk Management Committee. The Audit and Risk Management Committee opined that said transaction was reasonable and is reasonable and beneficial to the Company and shareholders.

9.2.4 *Measure to Govern Related Transactions*

To enter into the related transactions, the Company strictly adhere to relevant laws and regulations, including the rules stipulated by the Capital market Supervisory Board, to achieve highest benefit of the Company. In this regard, the Company establishes the guidance to engage into the related transactions. The transactions which are ordinary course of business or supporting an ordinary course of business must be in compliance with the principle approved by the Board of Directors. The transactions which are not the ordinary course of business or supporting an ordinary course of business



must be considered and approved by the Board of Directors prior to the transaction engagement, upon the review by the Audit and Risk Management Committee to ensure the highest benefit of the Company and no conflict of interest. In this case, the Audit and Risk Management Committee may employ the independent appraiser or financial advisor to assess the value of such related transaction for comparative purpose, if necessary.



Charoen Pokphand Foods Public Company Limited

Part 3

Report of the Board of Directors' Responsibility on the Financial Statements
and Financial Statements



บริษัท เจริญโภคภัณฑ์อาหาร จำกัด (มหาชน)

CHAROEN POKPHAND FOOD PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107537000246

Report of the Board of Directors' Responsibility on the Financial Statements

The Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as the financial information stated in the Company's Annual Report. These financial statements are prepared in accordance with Thai Accounting Standards and Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions and including generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, estimates and underlying assumptions are prudently made, and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and beneficial to shareholders and investors.

The Board of Directors has established and maintained an internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

The Audit Committee, whose members are independent directors, was designated by the Board to review the quality of the financial reporting and the effectiveness of internal control system and report the review result to the Board.

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023.

Soopakij Chearavanont

(Mr. Soopakij Chearavanont)

Chairman of the Board

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

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Charoen Pokphand Foods Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Charoen Pokphand Foods Public Company Limited and its subsidiaries (the "Group") and of Charoen Pokphand Foods Public Company Limited (the "Company") respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements in the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Impairment of investments in subsidiaries and goodwill	
Refer to notes 3 (b), 3 (l), 8, and 15 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company have investments and business operations in many countries and there is a risk from various external factors such as the fluctuation in economies, politics, laws, and trade regulations, the change in environment, climate, and disease. Hence, there is a risk that the operating results of certain businesses and the investments in certain countries might be significantly different from the initial forecast and budget and might result in the assets' carrying value being higher than the recoverable amounts, which might represent losses from impairment.</p> <p>I considered this as the key audit matter because the impairment testing involved a significant level of management judgment.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluating the management's assessment on the reasonableness of the indicators and impairment testing of investments in subsidiaries, and goodwill including evaluating the key assumptions which supports the management's forecast; • inquiring of management about the discounted cash flow projection model, understanding the Group and the Company's business and strategies; • evaluating the assumptions applied in preparing cash flow projections by comparing the key assumptions with internal and external sources of information, taking into account the accuracy of the past cash flow projections in comparison to the actual operating results, and testing a sample of inputs and key assumptions applied in the discounted cash flow model including testing the calculation; and • evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.



Measurement of biological assets	
Refer to note 3 (h) and 7 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group measured certain types of biological assets at fair value less costs to sell. Management assessed the fair value by using market comparison approach which used key unobservable inputs such as quoted prices based on market prices at the end of the reporting period.</p> <p>I considered this as the key audit matter because management’s estimation of the fair value of biological assets involved a significant level of judgment.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> evaluating the approach used by management in the measurement of biological assets including information used in the classification and categorising age, weight, and quantity of biological assets and comparing the quoted prices used by the Group to the internal and external sources of data and the available market prices at the reporting date; and evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s and the Company’s financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

A handwritten signature in blue ink, appearing to be 'JMP'.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Munchupa S.'.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2024

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

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets		2023	2022	2023	2022
Current assets					
Cash and cash equivalents	5	26,135,884	32,949,705	1,459,843	1,902,112
Accounts receivable - trade and others	29	42,351,035	43,220,606	3,498,937	3,162,959
Short-term loans to related parties	4	32,949	-	15,635,280	8,020,339
Current portion of long-term loans to related parties	4, 29	975,007	-	-	540,000
Inventories	6	69,508,151	83,080,346	2,642,979	2,861,340
Current biological assets	7	55,064,952	54,538,803	691,457	925,579
Other current financial assets	29	951,621	3,265,334	27,145	68,574
Restricted deposits at financial institutions		159,104	258,252	-	-
Advance payments for purchase of goods		3,117,843	5,237,348	-	-
Prepaid expenses		2,645,875	2,562,640	192,671	213,736
Accrued dividend income	4	129,131	156,580	-	-
Other current assets		7,734,397	7,918,382	47,704	48,512
Non-current assets classified as held for sale		309,639	31,130	-	-
Total current assets		209,115,588	233,219,126	24,196,016	17,743,151

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

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

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets (Continued)		2023	2022	2023	2022
<i>Non-current assets</i>					
Investments in equity securities	29	12,634,023	16,590,363	879,200	919,200
Investments in subsidiaries	8	-	-	250,641,201	241,229,221
Investments in associates	10	240,715,601	235,340,728	2,947,625	160,125
Investments in joint ventures	11	19,198,465	20,123,698	3,794,343	4,360,381
Long-term loans to related parties	4, 29	-	-	350,000	3,218,000
Investment properties	12	7,951,164	7,934,300	2,677,130	2,677,130
Property, plant and equipment	13	265,143,594	276,663,734	20,024,454	20,761,904
Right-of-use assets	14	35,497,259	35,881,634	495,438	608,996
Goodwill	15	60,187,906	62,766,519	-	-
Other intangible assets	16	13,240,432	13,457,689	46,635	45,810
Non-current biological assets	7	12,072,598	12,236,149	-	-
Deferred tax assets	26	5,757,970	4,582,032	582,849	-
Other non-current financial assets	29	2,046,507	3,724,461	130,006	254,000
Other non-current assets		3,656,745	4,466,747	43,301	382,213
Total non-current assets		678,102,264	693,768,054	282,612,182	274,616,980
Total assets		887,217,852	926,987,180	306,808,198	292,360,131

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

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term borrowings					
from financial institutions	17	86,426,945	94,753,369	-	-
Bills of exchange	17	58,310,380	20,686,554	29,479,001	3,544,677
Accounts payable - trade and others	19	36,527,046	50,963,728	1,069,355	1,388,629
Accrued expenses		11,845,175	13,067,579	291,056	155,063
Current portion of long-term borrowings	17	48,013,780	66,117,103	17,740,202	11,104,839
Current portion of lease liabilities	17	5,318,603	4,921,366	166,175	182,270
Short-term borrowing from related parties	4, 17	256,608	1,994,216	9,490,268	11,170,000
Corporate income tax payable		1,616,371	2,310,631	-	-
Other current financial liabilities	29	208,657	152,392	2,079	713
Other current liabilities		10,939,653	12,010,726	1,601,919	1,723,384
Total current liabilities		259,463,218	266,977,664	59,840,055	29,269,575
<i>Non-current liabilities</i>					
Long-term borrowings	17	286,740,336	301,499,301	93,039,669	114,499,296
Lease liabilities	17	30,045,018	30,581,291	332,705	427,740
Deferred tax liabilities	26	14,880,664	16,338,373	-	388,277
Provision for employee benefits	20	9,316,347	9,149,572	2,558,832	2,561,023
Provisions and others		1,476,414	2,597,434	-	-
Other non-current financial liabilities	29	262,760	-	-	-
Total non-current liabilities		342,721,539	360,165,971	95,931,206	117,876,336
Total liabilities		602,184,757	627,143,635	155,771,261	147,145,911

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

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

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
(Continued)					
Shareholders' equity					
Share capital					
Authorised share capital (<i>ordinary shares, par value at Baht 1 per share</i>)		9,093,857	9,291,530	9,093,857	9,291,530
Issued and paid-up share capital (<i>ordinary shares, par value at Baht 1 per share</i>)		8,413,569	8,611,242	8,413,569	8,611,242
Share premium					
Share premium on ordinary shares	21	56,004,025	57,298,909	55,113,998	56,408,882
Other premium		3,621,945	3,548,471	3,470,021	3,470,021
Surplus from change in shareholders' equity					
in subsidiaries, associates and joint ventures	21	5,212,858	4,500,040	-	-
Surplus (deficit) on common control transactions	21	(9,917)	(9,917)	490,423	490,423
Retained earnings					
Appropriated	21				
Legal reserve		929,166	929,166	929,166	929,166
Treasury shares reserve		3,666,565	7,062,578	3,666,565	7,062,578
Unappropriated		118,690,135	129,862,129	45,651,693	50,163,792
Treasury shares	18	(8,287,164)	(11,150,227)	(3,666,565)	(7,062,578)
Other components of shareholders' equity	21	24,243,052	40,400,254	10,036,067	10,140,694
Total		212,484,234	241,052,645	124,104,937	130,214,220
Subordinated perpetual debentures	22	26,932,000	15,000,000	26,932,000	15,000,000
Total shareholders' equity attributable to equity holders of the Company		239,416,234	256,052,645	151,036,937	145,214,220
Non-controlling interests	9	45,616,861	43,790,900	-	-
Total shareholders' equity		285,033,095	299,843,545	151,036,937	145,214,220
Total liabilities and shareholders' equity		887,217,852	926,987,180	306,808,198	292,360,131

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

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

Statements of income

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
Income					
Revenue from sale of goods	23	585,844,121	614,196,968	26,702,903	27,888,203
Gains on investments	8, 10	7,878,753	2,553,196	2,158,883	8,609,069
Interest income		1,158,029	842,826	637,246	708,182
Dividend income		12,169	60,125	8,242,678	19,605,115
Net foreign exchange gains		1,023,182	92,579	296,266	-
Gains on changes in fair value of investment properties	12	-	1,765,975	-	608,201
Other income		3,772,463	3,917,650	298,186	314,683
Total income		599,688,717	623,429,319	38,336,162	57,733,453
Expenses					
Cost of sale of goods	6, 25	524,643,172	532,324,028	25,082,168	26,354,825
Distribution costs	25	23,637,207	22,922,097	1,177,031	932,502
Administrative expenses	25	32,238,180	32,078,705	2,521,452	2,563,279
Gains on changes in fair value of biological assets	7	(724,149)	(1,410,753)	-	-
Impairment losses	8, 11, 13	908,754	475,914	4,438,797	7,174,157
Net foreign exchange losses		-	-	-	38,911
Finance cost on lease liabilities	14	2,969,614	2,909,037	26,365	20,677
Other finance costs		22,536,879	17,448,960	5,731,555	5,187,610
Total expenses		606,209,657	606,747,988	38,977,368	42,271,961
Share of profit of associates and joint ventures accounted for using equity method	10, 11	4,590,349	3,745,244	-	-
Profit (loss) before income tax expense		(1,930,591)	20,426,575	(641,206)	15,461,492
Income tax expense (income)	26	600,302	6,002,934	(789,815)	574,096
Profit (loss) for the year		(2,530,893)	14,423,641	148,609	14,887,396

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

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

Statements of income

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
Profit (loss) for the year attributable to:					
Equity holders of the Company		(5,207,348)	13,969,553	148,609	14,887,396
Non-controlling interests		2,676,455	454,088	-	-
Profit (loss) for the year		(2,530,893)	14,423,641	148,609	14,887,396
Earnings (losses) per share (in Baht)	27	(0.75)	1.69	(0.06)	1.70

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

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

Statements of comprehensive income

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
Profit (loss) for the year		(2,530,893)	14,423,641	148,609	14,887,396
Other comprehensive income (expense)					
<i>Items that will be reclassified</i>					
<i>subsequently to profit or loss</i>					
Foreign currency translation differences		(10,807,591)	(3,044,728)	-	-
Gain (loss) on hedges of net investments in foreign operations		(99,289)	99,289	-	-
Gains (losses) on cash flow hedges		(1,244,196)	3,023,554	(7,859)	73,202
Share of other comprehensive income (expense) of associates and joint ventures accounted for using equity method	10, 11	(1,950,313)	(2,783,306)	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	26	(19,613)	158,236	1,572	(14,640)
Total items that will be reclassified subsequently to profit or loss		(14,121,002)	(2,546,955)	(6,287)	58,562
<i>Items that will not be reclassified</i>					
<i>subsequently to profit or loss</i>					
Gains (losses) on equity investments measured at fair value through other comprehensive income		(3,935,246)	2,942,933	(40,000)	(47,000)
Gains (losses) on remeasurements of defined benefit plans	20	(167,762)	476,864	(11,058)	151,636
Gains on revaluation of assets	13	2,044,547	40,728,153	-	5,746,277
Share of other comprehensive income of associates and joint ventures accounted for using equity method	10, 11	186,252	143,608	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	26	(224,764)	(8,236,437)	10,211	(1,170,183)
Total items that will not be reclassified subsequently to profit or loss		(2,096,973)	36,055,121	(40,847)	4,680,730
Other comprehensive income (expense) for the year, net of income tax		(16,217,975)	33,508,166	(47,134)	4,739,292
Total comprehensive income (expense) for the year		(18,748,868)	47,931,807	101,475	19,626,688

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

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

Statements of comprehensive income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Total comprehensive income (expense) attributable to:				
Equity holders of the Company	(21,060,636)	46,510,974	101,475	19,626,688
Non-controlling interests	2,311,768	1,420,833	-	-
Total comprehensive income (expense) for the year	(18,748,868)	47,931,807	101,475	19,626,688

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Statements of changes in equity

(Unit: Thousand Baht)

Note	Consolidated financial statements																				
	Other components of shareholder's equity																				
	Invent and share capital	Share premium on ordinary shares	Other premium	Surplus (deficit) from change in shareholders' equity in subsidiary and associates	Deficit on controlling transactions	Legal reserve	Reserve for treasury shares	Unappropriated retained earnings	Treasury shares	Gains (losses) on realization of assets	Gains (losses) on cash flow hedging operations	Gains on instruments in foreign operations	Gain on equity investments measured at fair value through other comprehensive income	Foreign currency translation differences	Total other components of shareholders' equity	Total	Subordinated perpetual debentures	Total shareholders' equity attributable to equity holders of the Company	Non- controlling interests	Total shareholders' equity	
	8,611,242	57,298,909	3,582,872	5,458,941	(9,917)	929,166	6,244,707	122,518,903	(10,332,256)	23,538,601	(227,445)	-	2,746,664	(18,058,126)	7,999,694	202,302,161	15,000,000	217,302,161	72,019,528	289,321,689	
Year ended 31 December 2022																					
Balance at 1 January 2022																					
Transactions with owners, recorded directly in equity																					
Distributions to owners																					
Shares repurchased																					
Changes in ownership interests																					
in subsidiaries and associates																					
Changes in share control																					
Changes in interests in associates																					
New shares issued by subsidiaries																					
Liquidation of subsidiary																					
Acquisition of subsidiary with non-controlling interests																					
Total changes in ownership interests																					
in subsidiaries and associates																					
Total transactions with owners, recorded directly in equity																					
Comprehensive income for the year																					
Profit																					
Other comprehensive income																					
- Gains on remeasurement of defined benefit plans																					
- Others																					
Total comprehensive income for the year																					
Transfer to retained earnings																					
Interest and related expenses paid on subordinated perpetual debentures - net of income tax																					
Balance at 31 December 2022	8,611,242	57,298,909	3,582,872	4,500,640	(9,917)	929,166	7,062,578	129,862,129	(11,150,227)	54,385,118	2,865,384	99,289	5,753,847	(22,705,384)	40,400,254	241,053,645	15,000,000	256,053,645	43,790,900	299,843,545	

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(Unit: Thousand Baht)

	Consolidated financial statements																		
	Other components of shareholder's equity												Total shareholders' equity attributable to the Company						
	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus (deficit) from change in shareholders' equity in subsidiaries, associates and joint ventures	Deficit on common control transactions	Legal reserve	Reserve for treasury shares	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Gains (losses) on cash flow hedges	Gains (losses) on net investments in foreign operations		Gains (losses) on equity investments measured at fair value through other comprehensive income	Foreign currency translation differences	Total other components of shareholders' equity	Total	Subordinated perpetual debentures	Non-controlling interests
Year ended 31 December 2023	8,611,242	57,298,909	3,548,471	4,500,040	(9,917)	929,166	7,062,578	129,862,129	(11,150,227)	54,385,118	2,865,384	99,289	5,755,847	(22,705,384)	40,400,254	241,032,645	15,000,000	43,790,900	299,843,545
Balance at 1 January 2023	-	-	-	-	-	-	-	(2,762,303)	(3,225,147)	-	-	-	-	-	(2,762,303)	(3,225,147)	-	(755,214)	(3,517,517)
Transactions with owners, recorded directly in equity	(197,673)	(1,294,884)	(1,294,884)	-	-	-	(6,088,210)	1,492,557	6,088,210	-	-	-	-	-	(6,088,210)	(3,225,147)	-	(755,214)	(3,225,147)
Distributions to owners	(197,673)	-	-	-	-	-	(3,396,013)	(3,361,943)	2,863,063	-	-	-	-	-	(5,987,450)	-	-	(755,214)	(6,742,664)
Dividends paid	-	-	-	(59,261)	-	-	-	(787)	-	-	-	-	-	-	(59,261)	-	-	(787)	(60,048)
Shares repurchased	-	-	73,474	6,557	-	-	-	(948,800)	-	-	-	-	-	254	(875,326)	-	-	200,679	(88,769)
Capital reduced from treasury shares with maturity of redemption period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,679
Total distributions to owners	-	-	73,474	6,557	-	-	-	(948,800)	-	-	-	-	-	254	(875,326)	-	-	200,679	(88,769)
Changes in ownership interests in subsidiaries, associates and joint ventures	-	-	-	765,522	-	-	-	(765,522)	-	-	-	-	-	-	-	-	-	-	11,840
Changes in interests in subsidiaries without a change in control	-	-	-	(59,261)	-	-	-	(787)	-	-	-	-	-	-	(59,261)	-	-	-	(60,048)
Changes in interests in associates and joint ventures	-	-	73,474	6,557	-	-	-	(948,800)	-	-	-	-	-	254	(875,326)	-	-	200,679	(88,769)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,840
Loss of control in subsidiaries	-	-	-	765,522	-	-	-	(765,522)	-	-	-	-	-	-	-	-	-	-	(2,901)
Total changes in ownership interests in subsidiaries, associates and joint ventures	-	-	73,474	712,818	-	-	-	(1,715,109)	-	-	-	-	-	254	(941,635)	-	-	269,407	(659,156)
Total transactions with owners, recorded directly in equity	(197,673)	(1,294,884)	73,474	712,818	-	-	(3,396,013)	(5,677,052)	2,863,063	-	-	-	-	254	(6,916,013)	(3,225,147)	-	(485,807)	(7,401,820)
Comprehensive income (expense) for the year	-	-	-	-	-	-	-	(5,207,348)	-	-	-	-	-	-	(5,207,348)	-	-	2,676,455	(2,530,893)
Profit (loss)	-	-	-	-	-	-	-	(5,207,348)	-	-	-	-	-	-	(5,207,348)	-	-	2,676,455	(2,530,893)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Losses on remeasurement of defined benefit plans	-	-	-	-	-	-	-	(190,944)	-	-	-	-	-	-	(190,944)	-	-	(1,180)	(192,124)
- Others	-	-	-	-	-	-	-	99,289	-	-	-	-	-	-	99,289	-	-	-	(92,835)
Total other comprehensive income (expense) for the year	-	-	-	-	-	-	-	(91,655)	-	-	-	-	-	-	(91,655)	-	-	(1,180)	(192,124)
Transfer to retained earnings	-	-	-	-	-	-	-	(5,398,702)	-	-	-	-	-	-	(5,398,702)	-	-	(353,507)	(5,752,209)
Issue of subordinated perpetual debentures	-	-	-	-	-	-	-	495,112	-	-	-	-	-	-	495,112	-	-	2,311,486	(1,816,374)
Interest and related expenses paid on subordinated perpetual debentures - net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	8,413,569	56,004,025	3,621,445	5,212,858	(9,917)	929,166	3,666,565	118,690,135	(8,287,164)	55,278,117	1,561,306	-	2,344,176	(34,940,547)	24,243,052	212,084,234	26,932,000	45,616,861	285,033,095

Note	Separate financial statements														
	Other components of shareholder's equity														
	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Reserve for treasury shares	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Gains (losses) on cash flow hedges	Gains (losses) on equity investments measured at fair value through other comprehensive income	Total other components of shareholders' equity	Total	Subordinated perpetual debentures	Total shareholders' equity
	8,611,242	56,408,882	3,470,021	490,423	929,166	6,244,707	42,124,695	(6,244,707)	5,087,916	(53,772)	488,567	5,522,711	117,657,140	15,000,000	132,657,140
Year ended 31 December 2022															
Balance at 1 January 2022															
Transactions with owners, recorded directly in equity															
<i>Distributions to owners</i>															
Dividends paid	28	-	-	-	-	-	(5,464,526)	-	-	-	-	-	(5,464,526)	-	(5,464,526)
Shares repurchased	18	-	-	-	-	817,871	(817,871)	(817,871)	-	-	-	(817,871)	(817,871)	-	(817,871)
<i>Total distributions to owners</i>						817,871	(6,282,397)	(817,871)	-	-	-	(817,871)	(6,282,397)	-	(6,282,397)
Total transactions with owners, recorded directly in equity						817,871	(6,282,397)	(817,871)	-	-	-	(817,871)	(6,282,397)	-	(6,282,397)
Comprehensive income for the year															
Profit							14,887,396	-	-	-	-	-	14,887,396	-	14,887,396
Other comprehensive income															
- Gains on remeasurement of defined benefit plans	20	-	-	-	-	-	121,309	-	-	-	-	-	121,309	-	121,309
- Others									4,597,021	58,562	(37,600)	4,617,983	4,617,983	-	4,617,983
Total comprehensive income for the year							15,008,705	-	4,597,021	58,562	(37,600)	4,617,983	19,256,688	-	19,256,688
Interest and related expenses paid on subordinated perpetual debentures - net of income tax															
Balance at 31 December 2022	22	8,611,242	56,408,882	3,470,021	929,166	7,062,578	50,163,792	(7,062,578)	9,684,937	4,790	450,967	10,140,694	130,214,220	15,000,000	145,214,220

(Unit: Thousand Baht)

Note	Separate financial statements														
	Other components of shareholder's equity										Total shareholders' equity				
	Issued and paid-up share capital	Share premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Reserve for treasury shares	Unappropriated retained earnings	Treasury shares	Gains on revaluation of assets	Gains (losses) on cash flow hedges		Gains (losses) on equity investments measured at fair value through other comprehensive income	Total other components of shareholders' equity	Total	Subordinated perpetual debentures
	8,611,242	56,408,882	3,470,021	490,423	929,166	7,062,578	50,163,792	(7,062,578)	9,684,937	4,790	450,967	10,140,694	130,214,220	15,000,000	145,214,220
28	-	-	-	-	-	-	(2,526,799)	-	-	-	-	-	(2,926,799)	-	(2,926,799)
18	-	-	-	-	-	2,692,197	(2,692,197)	-	-	-	-	-	(2,692,197)	-	(2,692,197)
18	(197,673)	(1,294,884)	-	-	-	(6,088,210)	1,492,557	6,088,210	-	-	-	-	-	-	-
	(197,673)	(1,294,884)	-	-	-	(3,396,013)	(4,126,439)	3,396,013	-	-	-	-	(5,618,996)	-	(5,618,996)
	(197,673)	(1,294,884)	-	-	-	(3,396,013)	(4,126,439)	3,396,013	-	-	-	-	(5,618,996)	-	(5,618,996)
	-	-	-	-	-	-	148,609	-	-	-	-	-	148,609	-	148,609
	-	-	-	-	-	-	(8,847)	-	-	-	-	-	(8,847)	-	(8,847)
20	-	-	-	-	-	-	-	-	(6,287)	-	(32,000)	(38,287)	(38,287)	-	(38,287)
	-	-	-	-	-	-	139,762	-	-	(6,287)	(32,000)	(38,287)	101,475	-	101,475
22	-	-	-	-	-	-	66,340	-	(66,340)	-	-	(66,340)	-	11,932,000	11,932,000
22	-	-	-	-	-	-	(591,762)	-	-	-	-	-	(591,762)	-	(591,762)
	8,413,569	55,113,998	3,470,021	490,423	929,166	3,666,565	45,651,693	(3,666,565)	9,618,597	(1,497)	418,967	10,036,067	124,104,937	26,932,000	151,036,937

Year ended 31 December 2023

Balance at 1 January 2023

Transactions with owners, recorded directly in equity

Distributions to owners

Dividends paid

Shares repurchased

Capital reduced from treasury shares with maturity of redemption period

Total distributions to owners

Total transactions with owners, recorded directly in equity

Comprehensive income for the year

Profit

Other comprehensive income

- Losses on remeasurement of defined benefit plans

- Others

Total comprehensive income for the year

Transfer to legal reserve

Issue of subordinated perpetual debentures

Interest and related expenses paid on subordinated perpetual debentures - net of income tax

Balance at 31 December 2023

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

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
Cash flows from operating activities					
Profit (loss) for the year		(2,530,893)	14,423,641	148,609	14,887,396
Adjustments to reconcile profit (loss) to cash receipts (payments)					
Depreciation		23,741,648	23,483,029	1,143,289	1,316,244
Amortisation		1,379,389	1,335,616	7,446	6,588
Depreciation of biological assets	7	8,111,040	7,388,515	80,324	104,124
(Reversal of) expected credit losses and bad debt for accounts receivable - trade and others		349,868	179,153	195,144	(11,991)
(Reversal of) losses on inventory devaluation	6	(391,931)	(34,966)	58,682	(3,845)
Interest income		(1,158,029)	(842,826)	(637,246)	(708,182)
Dividend income		(12,169)	(60,125)	(8,242,678)	(19,605,115)
Finance costs		25,506,493	20,357,997	5,757,920	5,208,287
Gains on investments		(7,878,753)	(2,553,196)	(2,158,883)	(8,609,069)
Provisions for employee benefits	20	789,355	786,488	191,561	191,819
Losses on sale and write-off of property, plant and equipment, right-of-use assets, other intangible assets and investment properties		193,117	166,493	16,589	106,977
Impairment losses		908,754	475,914	4,438,797	7,174,157
Unrealised (gains) losses on exchange rates		(311,346)	(217,113)	(238,064)	46,219
Gains on changes in fair value of biological assets	7	(724,149)	(1,410,753)	-	-
Gains on changes in fair value of investment properties		-	(1,765,975)	-	(608,201)
Gain on step acquisition		(27,167)	-	-	-
Gain on liquidation of subsidiary		(25,504)	-	-	-
Share of profit of associates and joint ventures accounted for using equity method		(4,590,349)	(3,745,244)	-	-
Income tax expense (income)		600,302	6,002,934	(789,815)	574,096
		43,929,676	63,969,582	(28,325)	69,504

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

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

Statements of cash flows

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2023	2022	2023	2022
<i>Cash flows from operating activities (Continued)</i>				
<i>Changes in operating assets and liabilities</i>				
Accounts receivable - trade and others	(1,142,440)	(5,743,800)	(531,121)	176,935
Inventories	11,888,032	(11,103,377)	159,678	(73,152)
Biological assets	(10,955,640)	(14,650,517)	153,798	(240,603)
Other current assets	(502,587)	(168,360)	44,259	22,549
Other non-current assets	585,344	(832,467)	(47)	(76,282)
Accounts payable - trade and others	(2,662,656)	8,160,688	(319,274)	240,799
Other current liabilities	(611,158)	683,245	115,584	(1,824)
Employee benefits paid	20 (726,396)	(651,951)	(204,810)	(183,118)
Income tax paid	(4,442,071)	(6,119,541)	(29,162)	(34,388)
Net cash provided by (used in) operating activities	35,360,104	33,543,502	(639,420)	(99,580)
<i>Cash flows from investing activities</i>				
Interest received	1,011,301	734,629	614,860	708,403
Dividends received	4,319,225	3,144,799	5,554,046	5,010,737
Proceeds from (payment for) short-term loans to related parties	9,218	-	(9,692,368)	(1,277,569)
Proceeds from other financial assets	1,174,868	509,921	-	-
Payment for acquisition of investments	(12,054,176)	(7,908,733)	(5,532,616)	(8,422,643)
Proceeds from sale of investments	8,809,880	5,404,813	150,015	1,617,126
Net consideration paid for acquisition of subsidiaries	(27,759)	(296,210)	-	-
Proceeds from sale of subsidiaries	45,408	-	-	-
Prepayment for acquisition of investment	-	-	-	(160,547)
Proceeds from long-term loan to related parties	-	49,050	3,848,000	20,490,000
Payment for long-term loan to related parties	(984,849)	-	(440,000)	(11,600,000)
Payment for acquisition of property, plant and equipment and investment properties	(21,449,380)	(27,255,927)	(569,243)	(450,567)
Proceeds from sale of property, plant and equipment and investment properties	451,694	282,865	6,128	34,225
Payment for acquisition of other intangible assets	(859,877)	(388,517)	(3,705)	(23,466)
Proceeds from sale of other intangible assets	1,020	33	-	-
Effect in cash from loss of control in subsidiaries	8 (62,592)	-	-	-
Net cash provided by (used in) investing activities	(19,616,019)	(25,723,277)	(6,064,883)	5,925,699

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

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

Statements of cash flows

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2023	2022	2023	2022
Cash flows from financing activities					
Increase (decrease) in short-term borrowings					
from financial institutions		(4,014,639)	23,163,981	-	-
Increase (decrease) in bills of exchange		36,615,409	2,555,254	25,568,692	(4,994,861)
Increase (decrease) in short-term borrowings					
from related parties		378,007	605,963	(4,467,232)	11,170,000
Payment of lease liabilities		(7,380,550)	(5,562,809)	(241,480)	(285,064)
Proceeds from long-term borrowings					
from financial institutions		50,398,274	62,584,467	-	-
Repayment of long-term borrowings					
from financial institutions		(66,012,357)	(39,981,713)	(1,057,031)	(641,150)
Proceeds from issue of debentures		14,000,000	22,024,800	-	11,874,800
Repayment of debentures		(23,085,000)	(21,435,204)	(13,635,000)	(11,600,000)
Proceeds from issue of subordinated perpetual debentures	22	11,932,000	15,000,000	11,932,000	15,000,000
Repayment of subordinated perpetual debentures		-	(15,000,000)	-	(15,000,000)
Proceeds from (payment of) financial transaction costs		(1,042,376)	388,066	(543,762)	(96,058)
Interest paid		(24,310,825)	(20,692,401)	(5,675,165)	(5,747,946)
Dividends paid		(3,566,358)	(5,995,824)	(2,926,791)	(5,464,403)
Payment for acquisition of treasury shares	18	(3,225,147)	(817,871)	(2,692,197)	(817,871)
Proceeds from issue of new ordinary shares in a subsidiary		31,093	75,912	-	-
Payment for acquisition of non-controlling interests		(5)	(29,770,872)	-	-
Net cash provided by (used in) financing activities		(19,282,474)	(12,858,251)	6,262,034	(6,602,553)

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

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

Statements of cash flows

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2023	2022	2023	2022
Net decrease in cash and cash equivalents,				
before effect of exchange rates	(3,538,389)	(5,038,026)	(442,269)	(776,434)
Effect of exchange rate changes on				
cash and cash equivalents	(1,584,560)	(721,188)	-	-
Net decrease in cash and cash equivalents	(5,122,949)	(5,759,214)	(442,269)	(776,434)
Cash and cash equivalents at 1 January	29,526,669	35,285,883	1,902,112	2,678,546
Cash and cash equivalents at 31 December	24,403,720	29,526,669	1,459,843	1,902,112

Supplemental disclosures of cash flows information:

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	5	26,135,884	32,949,705	1,459,843	1,902,112
Bank overdrafts	17	(1,732,164)	(3,423,036)	-	-
Net		24,403,720	29,526,669	1,459,843	1,902,112

2. Non-cash transactions

2.1 At 31 December 2023, the Group and the Company had accrued dividend expenses amounting to Baht 172 million and Baht 104 million, respectively (2022: the Group and the Company had accrued dividend expenses amounting to Baht 216 million and Baht 104 million, respectively).

2.2 During the year 2023, the Company acquired shares of an associate from a subsidiary amounting to Baht 2,788 million, by short-term borrowing from another subsidiary and entering into an offsetting agreement with these two subsidiaries by having their long-term borrowings settled.

2.3 See details in note 8

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

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

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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
<i>Thailand operations and businesses related to operations in Thailand</i>				
<i>Livestock business</i>				
<i>Direct subsidiaries</i>				
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 Harbour 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

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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-Ostrogorzshk 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

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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

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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

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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

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			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

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2023	2022
<i>Indirect subsidiaries</i>				
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

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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.

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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.

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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.

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(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.

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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.

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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.

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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.

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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.

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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.

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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.

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(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.

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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.

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(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.

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(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.

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(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.

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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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(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

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		Consolidated		<i>(Unit: Million Baht)</i>	
		financial statements		Separate	
		<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

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

4.2.1 Accounts receivable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		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

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2023	2022	2023	2022
Related company	33	-	3	-
Net	33	-	3	-

(Unit: Million Baht)

	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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Associates and joint ventures	101	53	-	-
Related companies	438	2,706	-	-
Total	539	2,759	-	-

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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
Associates and joint ventures	162	93	-	-
Related companies	114	85	11	10
Total	276	178	14	357

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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	
	2023	2022	2023	2022
	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>	
			Separate financial statements	
	2023	2022	2023	2022
	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

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4.3 Key management personnel compensation

Key management personnel compensation consists of:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<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

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<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.

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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

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6 Inventories

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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).

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7 Biological assets

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	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.

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

	Consolidated		<i>(Unit: Tons)</i>	
	financial statements		Separate	
	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:

	Carrying amount	<i>(Unit: Million Baht)</i>			
		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.

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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	Reference market price as at 31 December 2023 <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		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	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

- (a) 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.
- (b) 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.

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- (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.

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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

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Details of investments in subsidiaries

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

	Separate financial statements						(Unit: Million Baht)		
	Ownership interest (%)		Cost method		Accumulated impairment			At cost - net	
	2023	2022	2023	2022	2023	2022		2023	2022
Marketable securities									
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	
Non-marketable securities									
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	

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Details of investments in subsidiaries (Continued)

(Unit: Million Baht)

	Separate financial statements							
	Ownership interest (%)		Cost method		Accumulated impairment		At cost - net	
	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

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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	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.

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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:

	<i>(Unit: Million Baht)</i>					
	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)

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10 Investments in associates

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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	<u>240,716</u>	<u>235,341</u>	<u>2,948</u>	<u>160</u>

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
Marketable securities											
	Thailand	34.45	34.09	96,549	90,198	122,840	113,852	-	-	122,840	113,852
	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
Non-marketable securities											
	Thailand	25.00	25.00	160	160	159	159	-	-	159	159
	Thailand	49.99	49.99	35	35	177	165	-	-	177	165
	Thailand	29.99	29.99	84	79	45	48	-	-	45	48
	Thailand	49.98	49.98	2	2	240	220	-	-	240	220
	Philippines	39.60	39.60	-	-	562	15	-	-	562	15
	Russia	30.33	-	60	-	60	-	-	-	60	-
	Sweden	-	15.08	-	24	-	32	-	-	-	32

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Details of investments in associates (Continued)

(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	
	China Tai Conti (Cixi) Investment Management Co., Ltd.	38.12	38.12	8	8	4	4	-	-	4	4
China Tai Investment Co., Ltd.	26.69	26.69	71,045	71,045	67,703	72,129	-	-	67,703	72,129	
Cixi Zhuda Investment Centre Limited Partnership	34.69	34.69	4	4	4	4	-	-	4	4	
Cloud Food System Joint Stock Company ***	19.40	19.40	119	119	111	115	-	-	111	115	
Conti Chia Tai International Limited	38.12	38.12	1,052	1,052	917	929	-	-	917	929	
Kamereo Company Limited ***	10.40	10.40	67	67	61	61	-	-	61	61	
Norfolk Property Development (Private) Limited	39.20	-	-	-	-	-	-	-	-	-	
Rosleko Sp. z o.o.	26.67	26.67	-	-	-	-	-	-	-	-	
Sao Ta Foods Joint Stock Company	20.71	20.71	1,193	1,193	1,246	1,237	-	-	1,246	1,237	
Zhan Jiang Deni Carburetor Co., Ltd. ****	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	

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* CP Axtra Public Company Limited (“CP Axtra”) 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 Axtra by having representatives in the board of directors and involving in setting the policy and making the significant decisions of CP Axtra. The Group accounted its investment in CP Axtra 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.

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Details of investments in associates (Continued)

(Unit: Million Baht)

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

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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.		CP Axtra Public Company Limited and its subsidiaries	
	2023	2022	2023	2022	2023	2022
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

(Unit: Million Baht)

Financial information of the associate

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	<i>(Unit: Million Baht)</i>					
	CP ALL Public Company Limited and its subsidiaries		Chia Tai Investment Co., Ltd.		CP Axtra 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
Reconciliation of the carrying amount of the interests in the associates						
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

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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:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2023	2022	2023	2022
At 1 January	20,124	22,412	4,360	4,360
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)	-	(566)	-
Loss from liquidation	(2)	-	-	-
Change in ownership interest	(1,354)	-	-	-
Foreign currency translation differences	240	(207)	-	-
At 31 December	19,198	20,124	3,794	4,360

**Charoen Pokphand Foods Public Company Limited
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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) (%)		Cost method		Equity method		Accumulated impairment		At equity - net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<i>Non-marketable securities</i>										
CP-Meiji Co., Ltd. *	59.99	59.99	1,200	1,200	3,115	2,781	-	-	3,115	2,781
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	74.99	74.99	98	98	42	80	-	-	42	80
Camamor Produtos Marinhos S.A.	40.00	40.00	566	566	329	357	(329)	-	-	357
CP-MP Logistics Joint Stock Company ⁽¹⁾	-	40.76	-	4	-	2	-	-	-	2
ECI Metro Enterprises (Hong Kong) Co., Ltd.	25.21	25.21	-	-	-	-	-	-	-	-
ECI Metro Investment Co., Ltd.	25.21	25.21	1,296	1,296	2,906	2,963	-	-	2,906	2,963
Feng Sheng Livestock Co., Ltd.	19.51	19.51	107	107	105	107	-	-	105	107
HyLife Group Holdings Ltd. **	50.10	50.10	13,444	11,983	9,225	10,404	-	-	9,225	10,404
SuperDrob S.A.	49.45	49.45	3,794	3,794	3,788	3,389	-	-	3,788	3,389
Well Well Invest S.A.	33.33	33.33	83	83	-	30	-	-	-	30
Westbridge Foods Holding B.V. **	49.99	49.99	6	6	17	11	-	-	17	11
Total			20,594	19,137	19,527	20,124	(329)	-	19,198	20,124
(1) Closed										

Charoen Pokphand Foods Public Company Limited

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* 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

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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>								
Camamor Produtos Marinhos S.A.	40.00	40.00	566	566	(566)	-	-	566
SuperDrob S.A.	49.45	49.45	3,794	3,794	-	-	3,794	3,794
Total			4,360	4,360	(566)	-	3,794	4,360

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12 Investment properties

	Consolidated financial statements			<i>(Unit: Million Baht)</i> Separate financial statements		
	<i>Note</i>	Land	Buildings and building improvements	Total	Land	Total
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.

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 investment properties adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

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13 Property, plant and equipment

(Unit: Million Baht)

		Consolidated financial statements					
	<i>Note</i>	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	<i>12</i>	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

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Notes to the financial statements
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13 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
<i>Accumulated depreciation and impairment losses</i>						
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)
<i>Net book value</i>						
At 31 December 2022	67,782	112,238	63,322	7,936	25,386	276,664
At 31 December 2023	69,469	108,467	59,759	6,650	20,799	265,144

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Notes to the financial statements
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13 Property, plant and equipment (Continued)

(Unit: Million Baht)

	Separate financial statements					Total
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Others	Assets under construction and installation	
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.

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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:

(Unit: Million Baht)

	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

(Unit: Million Baht)

	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).

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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.

<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 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

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<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).

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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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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
Amotisation 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	<u>2,155</u>	<u>2,239</u>	<u>40</u>	<u>46</u>
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	
	<u>2023</u>	<u>2022</u>
Cost		
At 1 January	69,304	66,918
Acquired through business acquisitions	96	-
Currency translation differences	(2,675)	2,386
At 31 December	<u>66,725</u>	<u>69,304</u>
Impairment loss		
At 1 January	(6,537)	(6,101)
Impairment losses	-	(436)
At 31 December	<u>(6,537)</u>	<u>(6,537)</u>
Net book value		
At 1 January	<u>62,767</u>	<u>60,817</u>
At 31 December	<u>60,188</u>	<u>62,767</u>

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.

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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.

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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
<i>Cost</i>					
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
<i>Accumulated amortisation</i>					
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)
<i>Net book value</i>					
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

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16 Other intangible assets (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
<i>Cost</i>			
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
<i>Accumulated amortisation</i>			
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)
<i>Net book value</i>			
At 31 December 2022	24	22	46
At 31 December 2023	27	20	47

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17 Interest-bearing liabilities

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<i>Current</i>					
	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
4	Total	<u>144,994</u>	<u>117,434</u>	<u>38,969</u>	<u>14,715</u>
<i>Current portion of long-term debts</i>					
	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	<u>53,333</u>	<u>71,038</u>	<u>17,907</u>	<u>11,287</u>
	Total current	<u>198,327</u>	<u>188,472</u>	<u>56,876</u>	<u>26,002</u>
<i>Non-current</i>					
	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	<u>316,785</u>	<u>332,081</u>	<u>93,372</u>	<u>114,927</u>
	Grand total	<u>515,112</u>	<u>520,553</u>	<u>150,248</u>	<u>140,929</u>

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).

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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.

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Debentures

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

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 ("CPFFTH")							
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
<i>Less current portion</i>				<i>(20,833)</i>	<i>(19,390)</i>	<i>(16,833)</i>	<i>(9,940)</i>
Net				182,297	192,825	92,547	113,075

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- (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

	<i>(Unit: Million Baht)</i>			
	Consolidated		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).

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19 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		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		Separate	
		financial statements		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>

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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>	
	financial statements		Separate	
	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>	
	financial statements		Separate	
	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>	
	financial statements		Separate	
	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

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Principal actuarial assumptions at 31 December were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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		Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
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.

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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.

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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.

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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
Statements of income						
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
Assets						
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

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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:

(Unit: Million Baht)

	Consolidated financial statements			
	Revenue from external customers		Non-current assets (excluded deferred tax assets and other non-current financial assets)	
	2023	2022	2023	2022
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	585,844	614,197	670,298	685,462

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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				Total	
	Livestock business		Aquaculture business			
	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.

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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	<u>3,076</u>	<u>3,050</u>	<u>23,627</u>	<u>24,838</u>	<u>26,703</u>	<u>27,888</u>

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).

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25 Expenses by nature

Expenses consisted of:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2023	2022	financial statements	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>	
	financial statements		Separate	
	2023	2022	financial statements	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

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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

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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
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Reconciliation of effective tax rate

	Consolidated financial statements				Total
	0%	10%	20%	Others	
<i>(Unit: Million Baht)</i>					
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

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Reconciliation of effective tax rate (Continued)

Applicable tax rates	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	<u>0%</u>	<u>20%</u>	<u>Others</u>	<u>Total</u>
2023				
Accounting profit (loss) before income tax, net	<u>(117)</u>	<u>(534)</u>	<u>10</u>	<u>(641)</u>
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	<u>-</u>	<u>(791)</u>	<u>1</u>	<u>(790)</u>
2022				
Accounting profit before income tax, net	<u>138</u>	<u>15,309</u>	<u>14</u>	<u>15,461</u>
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	<u>-</u>	<u>573</u>	<u>1</u>	<u>574</u>

Deferred income tax

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

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

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

	Consolidated financial statements					<i>(Unit: Million Baht)</i>	
	At 1 January 2023	Profit or loss	Other comprehensive income	Equity	Disposal from loss control of subsidiaries		Currency translation differences
			Charged/Credited to				
Deferred tax assets (liabilities)							
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)

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

(Unit: Million Baht)

	Consolidated financial statements					
	At 1 January 2022	Profit or loss	Other comprehensive income	Equity	Currency translation differences	At 31 December 2022
<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)

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

(Unit: Million Baht)

	Separate financial statements			
	At 1 January 2023	Profit or loss	Charged/Credited to Other comprehensive income	Equity
				At 31 December 2023
<i>Deferred tax assets (liabilities)</i>				
Investments	(84)	-	8	-
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	-	2,908
Others	(24)	58	-	22
Total	(388)	814	12	145
				583

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

(Unit: Million Baht)

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

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.

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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:

	<i>(Unit: Million Baht/Million shares)</i>			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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>	<u>(630)</u>	<u>(556)</u>	<u>(630)</u>	<u>(556)</u>
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>

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28 Dividends

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

Approval date to pay dividends	Rate per share (<i>Baht</i>)	Number of entitled shares (<i>Shares</i>)	Total (<i>in million Baht</i>)	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.

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(Unit: Million Baht)

		Consolidated financial statements					Total	
		Carrying amount			Fair value			
	Note	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	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		-	2,245	-	2,245	2,245	-	2,245
- Marketable equity securities		-	10,389	-	10,389	-	10,389	10,389
- Non-marketable equity securities		-	-	-	-	-	-	-
Other financial assets		2,348	-	-	2,348	-	-	2,348
- Derivative assets		2,348	12,634	975	15,957	-	-	2,348
Total financial assets								
Financial liabilities								
Long-term borrowings	17	-	-	203,130	203,130	-	204,046	204,046
- Debentures		-	-	-	-	-	-	-
- Long-term borrowings from financial institution	17	-	-	131,624	131,624	-	131,853	131,853
Other financial liabilities		471	-	-	471	-	471	471
- Derivative liabilities		471	-	334,754	335,225	-	-	471
Total financial liabilities								

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(Unit: Million Baht)

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

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(Unit: Million Baht)

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

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(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		-	919	-	919	-	-	919	919
-Non-marketable equity securities									
Other financial assets		323	-	-	323	-	323	-	323
-Derivative assets		323	919	3,758	5,000	-	-	-	-
Total financial assets									
Financial liabilities									
Long-term borrowings		-	-	123,015	123,015	-	124,543	-	124,543
-Debentures	17								
-Long-term borrowings from financial institution	17			2,589	2,589	-	2,600	-	2,600
Other financial liabilities		1	-	-	1	-	1	-	1
-Derivative liabilities		1	-	-	1	-	1	-	1
Total financial liabilities				125,604	125,605				

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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

<u>Type</u>	<u>Valuation technique</u>
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

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
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)

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Reconciliation of Level 3 fair values

Investment in equity securities measured at FVOCI

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		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		<i>(Unit: Million Baht)</i> Separate	
	financial statements		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.

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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
	<i>(Unit: Million Baht)</i>			
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
<i>Less</i> allowance for expected credit losses	<i>(1,244)</i>	<i>(1,080)</i>	<i>(198)</i>	<i>(3)</i>
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.

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

(Unit: Million Baht)

	Consolidated financial statements			Total
	Within 1 year	After 1 year but within 5 years	After 5 years	
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

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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

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(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

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		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		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.

		<i>(Unit: Million Baht)</i>			
		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>
(<i>%</i>)					
At 31 December 2023					
U.S. Dollar	1	82	(82)	23	(23)
At 31 December 2022					
U.S. Dollar	1	69	(69)	174	(174)
		<i>(Unit: Million Baht)</i>			
		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>
(<i>%</i>)					
At 31 December 2023					
U.S. Dollar	1	(141)	141	(6)	6
At 31 December 2022					
U.S. Dollar	1	(74)	74	(4)	4

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(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.

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(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.

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31 Commitments with non-related parties

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

31.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		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).

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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.

Attachment 1-6 as shown on the Website

www.cpfworldwide.com/en/investors/report-56-1-2023/attachment

Attachment 1 Details of Directors, Executives, Company Secretary and Bookkeeper

Attachment 2 Directors of Subsidiaries

Attachment 3 Details of Head of Internal Audit and Head of Compliance

Attachment 4 Report of Sub-Committees

Attachment 5 Corporate Governance and Sustainable Development Policy and CPF Code of Conduct

Attachment 6 Charters of Sub-Committees





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