

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**
Notes to the interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

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Notes to the interim financial statements

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 13 May 2024.

1 Basis of preparation of the interim financial statements

The interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of Charoen Pokphand Foods Public Company Limited, the “Company” and the Company and its subsidiaries (together referred to the “Group”) for the year ended 31 December 2023.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2023, except as disclosed in note 2.

2 Accounting policy

Since 1 January 2024, the Group has adopted TAS 29 *Financial Reporting in Hyperinflationary Economies* since Türkiye's economy is considered hyperinflationary based on the criteria in TAS 29. As a result, the financial statements of a subsidiary located in Türkiye are adjusted for the effects of inflation, to reflect the current purchasing power at the reporting date. In this regard, all items in the statements of financial position except monetary items are restated by applying a general price index at the reporting date. All items in the income statement and statement of other comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses are initially recognised in the financial statements. The restatement of a subsidiary’s financial statements in Türkiye was based on the Consumer Price Index as at 31 March 2024 at 2,139.47 (31 December 2023: 1,859.38).

The Group’s financial statements are presented in Thai Baht which is not the currency of a hyperinflationary economy. TAS 21 *The Effects of Changes in Foreign Exchange Rates* does not require the consolidated comparative information to be restated but requires the Group to translate all amounts in the financial statements of a subsidiary in Türkiye from Turkish Lira to Thai Baht using the rates ruling at the reporting date, in contrast to the Group’s usual practice according to which the revenues and expenses of foreign operations are translated at rates approximating the foreign exchange rates ruling at the dates of the transactions. In this regard, the Group has recognised the restatement impact in other comprehensive income and presented in foreign currency translation differences in equity until disposal of the investment.

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The first-time adoption of TAS 29 resulted in an increase in the consolidated equity as at 1 January 2024 of Baht 1,960 million and was mainly the result of the restatement of property, plant, and equipment.

3 Related party transactions

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 44.99% of the Company's voting rights as of the latest closing date of shareholder register book on 13 March 2024.

In addition, relationships with subsidiaries, associates, and joint ventures that have material changes are described in note 4 and 5.

3.1 Significant transactions with related parties for the three-month period ended 31 March

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
(a) Income				
Significant influence entity				
Sale of goods	1	2	-	-
Software application income	1	1	-	-
Subsidiaries				
Dividend income	-	-	7,230	-
Sale of goods	-	-	1,814	1,332
Interest income	-	-	251	133
Other income	-	-	45	43
Associates, joint ventures and related companies				
Sale of goods	19,654	17,468	127	329
Interest income	51	29	-	-
Rental, service and other income	68	90	4	10
Software application income	43	33	-	-
(b) Expenses and others				
Significant influence entity				
Purchase of raw materials and goods	2,764	3,234	513	794
Trademark license fees	1,141	1,181	72	77
Other expenses	25	25	-	-
Subsidiaries				
Purchase of raw materials and goods	-	-	177	603
Interest expenses	-	-	100	110
Software application fees	-	-	41	45
Other expenses	-	-	11	13

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	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
(b) Expenses and others (Continued)				
Associates, joint ventures and related companies				
Purchase of raw materials and goods	11,147	17,519	159	439
Transportation-related expenses	1,141	1,080	4	3
Construction costs of buildings, structures and others	376	485	2	3
Leased-related and service expenses	156	172	16	19
Cost of right-of-use assets	139	118	13	30
Software application fees	87	93	-	-
Training and seminar fees	78	44	3	2
Purchase of equipment and others	35	35	9	7
Other expenses	230	260	20	26

3.2 Balances with related parties as at 31 March 2024 and 31 December 2023 were as follows:

3.2.1 Trade and other current receivables

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Significant influence entity	2	2	-	-
Subsidiaries	-	-	753	840
Associates and joint ventures	8,699	9,825	6	30
Related companies	5,672	5,570	1,082	1,254
Total	14,373	15,397	1,841	2,124

3.2.2 Short-term loans to related parties

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Subsidiaries	-	-	15,167	15,635
Related companies	31	33	-	-
Total	31	33	15,167	15,635
Average balance	32		15,498	

As at 31 March 2024, the short-term loans bear interest at 6.00% to 6.04% per annum (31 December 2023: 6.00% to 6.18% 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.

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3.2.3 Advance payments for purchase of goods

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Associate and joint ventures	115	101	-	-
Related companies	2,512	438	-	-
Total	2,627	539	-	-

3.2.4 Accrued dividend income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Associate	134	129	-	-
Total	134	129	-	-

3.2.5 Long-term loans to related parties

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	31 March 2024	31 December 2023	Average balance
Joint venture	1,010	975	1,010
Less current portion	(1,010)	(975)	(1,010)
Total	-	-	-

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	31 March 2024	31 December 2023	Average balance
Subsidiary	290	350	290
Less current portion	-	-	-
Total	290	350	290

As at 31 March 2024, the long-term loans bear interest at 4.63% to 13.20% per annum (31 December 2023: 4.63% to 13.20% 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.

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3.2.6 Other non-current assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Subsidiary	-	-	3	3
Associates and joint venture	170	162	-	-
Related companies	111	114	11	11
Total	281	276	14	14

3.2.7 Trade and other current payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Significant influence entity	736	494	132	94
Subsidiaries	-	-	98	72
Associates and joint ventures	3,909	3,689	4	8
Related companies	8,771	7,352	83	76
Total	13,416	11,535	317	250

3.2.8 Short-term borrowings from related parties

(Unit: Million Baht)

	Consolidated financial statements		
	Outstanding balance		
	31 March 2024	31 December 2023	Average balance
Joint venture	50	49	50
Related companies	338	208	352
Total	388	257	402

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		
	31 March 2024	31 December 2023	Average balance
Subsidiary	8,125	9,490	7,334
Total	8,125	9,490	7,334

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As at 31 March 2024, short-term borrowings bear interest at 3.98% to 5.98% per annum (31 December 2023: 3.93% to 5.63% 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.

3.2.9 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Subsidiaries	-	-	31	41
Associates	445	427	-	-
Related companies	2,222	2,347	265	284
Total	2,667	2,774	296	325

3.3 Key management personnel compensations

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<i>For the three-month period ended 31 March</i>				
Short-term benefits	349	342	48	54
Post-employment under defined benefit plans	5	5	1	1
Total	354	347	49	55
<i>At 31 March</i>				
Provisions for employee benefits	514	480	109	106
Total	514	480	109	106

3.4 Commitments

Capital commitments

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	546	610	-	-

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During the first quarter of 2024, a subsidiary (CPF Restaurant and Food Chain Co., Ltd.) has paid for “FIVE STAR” trademarks and service marks in overseas to Charoen Pokphand Group Company Limited amounting to Baht 5 million and has had Baht 153 million commitment to pay, of which the payment will be made and the ownership will be assigned when the registration of ownership assignment of the trademarks and service marks in each country has been completed.

4 Investments in subsidiaries

Movements for the three-month period ended 31 March 2024 were as follows:

	Consolidated financial statements	<i>(Unit: Million Baht)</i> Separate financial statements
Decrease capital in CPF Netherlands B.V. (“CPFN”) ⁽¹⁾	-	(5,870)
Acquire investment in RBPI AS ⁽²⁾	-	14,264
Increase capital in Homegrown Shrimp (USA) LLC	-	18
Change status from a subsidiary to a joint venture	-	(712)
Net	-	7,700

⁽¹⁾ During the first quarter of 2024, CPFN reduced its registered share capital by reducing par value from U.S. Dollar 0.48 to U.S. Dollar 0.35 per share amounting to U.S. Dollar 180 million or equivalent to Baht 5,870 million. In this regard, the Company recognised gain on investment of Baht 637 million in the separate financial statements. There is no material impact on the consolidated financial statements.

⁽²⁾ During the first quarter of 2024, the Company acquired shares of RBPI AS from CPFN, amounting to U.S. Dollar 390 million or equivalent to Baht 14,264 million by offsetting the consideration of the shares with the amount of capital repayment from CPFN amounting to U.S. Dollar 180 million or equivalent to Baht 6,507 million, dividend payment amounting to U.S. Dollar 200 million or equivalent to Baht 7,230 million, loans amounting to U.S. Dollar 9 million or equivalent to Baht 329 million and paying the remaining of U.S. Dollar 1 million or equivalent to Baht 37 million in cash. This has been paid in April 2024.

Details of the Group’s subsidiaries as at 31 March 2024 and 31 December 2023 only those with changes during the three-month period ended 31 March 2024 were as follows:

<u>Name of the entity</u>	<u>Type of business</u>	<u>Country of incorporation</u>	<u>Ownership interest (%)</u>	
			31 March 2024	31 December 2023
<i>Subsidiaries with change in interests</i>				
1) Sheng Da Foods Co., Ltd. ⁽¹⁾	Layer chicken business	Republic of China (Taiwan)	16.58	16.07
2) CPF Poland S.A. ⁽²⁾	Agro-industrial products and food	Poland	49.45	66.67
2.1) CPF Culinar Sp. z o.o. ⁽²⁾	Production of seafood products	Poland	49.45	66.67

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2024	31 December 2023
<i>Subsidiaries with change in interests (Continued)</i>				
2.2) Food Port Sp. z o.o. ⁽²⁾	Distributor of seafood products	Poland	49.45	66.67
2.3) PetRepublic Ltd. ⁽²⁾	Production and sale of pet food	Poland	49.45	66.67
2.4) PLANT-TEC Europe Sp. z o.o. ⁽²⁾	Investment	Poland	49.45	66.67

⁽¹⁾ A subsidiary of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

⁽²⁾ Changed status from a subsidiary to a joint venture

Loss of control in a subsidiary

During first quarter of 2024 CPF Poland S.A. (“CPF Poland”), a 66.67% directly owned subsidiary of the Company issued 109,575 new shares, whereby SuperDrob S.A., an associate of the Group, acquired all those shares. Consequently, SuperDrob S.A. has joint control with the Group over significant financial and operating decisions of CPF Poland.

Upon the completion of the transaction, CPF Poland changed its status from a subsidiary of the Group to a joint venture with 49.45% direct interests.

5 Investments in associates and joint ventures

Movements for the three-month period ended 31 March 2024 were as follows:

	Consolidated financial statements	<i>(Unit: Million Baht)</i> Separate financial statements
Acquire investment in CP ALL Public Company Limited (“CPALL”)	40	-
Share of profit of investment	1,792	-
Share of other comprehensive income of investment	99	-
Dividend income	(12)	-
Loss from investment exchange	(91)	-
Change status from a subsidiary to a joint venture	509	712
Foreign currency translation differences	2,755	-
Net	5,092	712

The Group accounts for the investment in CPALL and CP Aextra Public Company Limited, which are listed companies in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 March 2024, the fair value of the investments were Baht 168,663 million and Baht 29,018 million, respectively (31 December 2023: Baht 173,265 million and Baht 25,040 million, respectively). As at 31 March 2024, the Group holds 34.45% interest in CPALL.

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6 Property, plant and equipment

	Consolidated	Separate
	financial statements	financial statements
	<i>(Unit: Million Baht)</i>	
<i>For the three-month period ended 31 March 2024</i>		
Acquisition - at cost	3,725	72
Disposals and write-off - net book value	(1,643)	-
Transfer to intangible assets and expenses	(71)	-
Reversal of impairment loss	117	30
Reversal of surplus on revaluation	(8)	-

7 Long-term borrowings

Debenture

During the first quarter of 2024, the Company issued unsubordinated, unsecured debentures, in registered name and with debenture holder representative as follows:

				<i>(Unit: Million Baht)</i>	
<u>Debenture</u>	<u>Interest rates</u>	<u>Term</u>	<u>Maturity</u>	Consolidated	Separate
	<i>(% per annum)</i>		Year	financial	financial
				statements	statements
1/2024	2.96 - 4.09	1 year 10 months to 10 years	2025 - 2034	14,000	14,000
Total				14,000	14,000

The Company must comply with the specified covenants in the terms and conditions of the above debenture.

The debentures of the Company were registered with the Thai Bond Market Association on 28 February 2024. The debenture of the Company had a credit rating of “A” rated by TRIS Rating Co., Ltd. on 1 April 2024.

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8 Segment information and disaggregation of revenue

Information about reportable segments

The Group presents the following main segments:

Segment 1 : Livestock business
Segment 2 : Aquaculture business

Revenue and results, based on reportable segments financial information of the Group for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2024	2023
<i>Segment revenue</i>		
Livestock business	123,667	125,776
Aquaculture business	16,370	18,005
Total	140,037	143,781
<i>Segment results</i>		
Livestock business	5,947	3,716
Aquaculture business	662	598
Total allocated segment results	6,609	4,314
Unallocated segment results	(5,058)	(7,118)
Profit (loss) for the period	1,551	(2,804)

Information about geographical areas

Details of the geographic segment financial information of the Group for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2024	2023
<i>Revenue from external customers</i>		
Thailand	44,560	49,724
Asia	68,939	67,019
Europe	18,774	19,325
America	7,448	7,468
Others	316	245
Total	140,037	143,781

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Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the three-month period ended 31 March were as follows:

(Unit: Million Baht)

Categories of main products	Consolidated financial statements					
	Reportable segments				Total	
	Livestock business		Aquaculture business			
	2024	2023	2024	2023	2024	2023
Animal feed	23,055	25,372	8,683	8,961	31,738	34,333
Animal farm products	71,720	72,232	5,675	7,171	77,395	79,403
Processed foods and ready meals	28,892	28,172	2,012	1,873	30,904	30,045
Total	<u>123,667</u>	<u>125,776</u>	<u>16,370</u>	<u>18,005</u>	<u>140,037</u>	<u>143,781</u>

(Unit: Million Baht)

Categories of main products	Separate financial statements	
	Reportable segment Aquaculture business	
	2024	2023
	2024	2023
Animal feed	3,379	3,496
Animal farm products	2,001	2,376
Processed foods and ready meals	629	453
Total	<u>6,009</u>	<u>6,325</u>

Contract Balances

As at 31 March 2024, the Group and the Company had contract liabilities of Baht 1,717 million and Baht 17 million, respectively (*31 December 2023: Baht 1,380 million and Baht 16 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 statements of financial position as at 31 March 2024.

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9 Income tax

The Group applied the mandatory exception from recognising deferred tax accounting for the top-up tax and will recognise tax expense when it occurs. Currently, the Group is in the process of assessing the impact of Pillar Two income taxes on the financial statements.

10 Basic and diluted earnings (losses) per share

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

	<i>(Unit: Million Baht/Million shares)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Profit (loss) for the period attributable to ordinary shareholders of the Company	1,152	(2,725)	7,604	(2,155)
<i>Less: cumulative interest expense and related expenses for the period net of income tax on subordinated perpetual debentures</i>	<i>(270)</i>	<i>(133)</i>	<i>(270)</i>	<i>(133)</i>
Profit (loss) used in calculation of basic and diluted earnings (losses) per share	882	(2,858)	7,334	(2,288)
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at the beginning of period	8,414	8,611	8,414	8,611
Treasury shares held by subsidiaries	(499)	(470)	-	-
Effect of own shares held	(171)	(245)	(171)	(245)
Number of ordinary shares outstanding at the end of period	7,744	7,896	8,243	8,366
Basic and diluted earnings (losses) per share (in Baht)	0.11	(0.36)	0.89	(0.27)

11 Financial Instruments

Carrying amounts and fair values

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

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		Consolidated financial statements							
		Carrying amount				Fair value			
	<i>Note</i>	Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>As at 31 March 2024</i>									
<i>Financial assets</i>									
Long term loans to related parties	3	-	-	1,010	1,010	-	-	1,044	1,044
Investments in equity securities									
-Marketable equity securities		-	3,379	-	3,379	3,379	-	-	3,379
-Non-marketable equity securities		-	9,618	-	9,618	-	-	9,618	9,618
Other financial assets									
-Derivative assets		3,055	-	-	3,055	-	3,055	-	3,055
Total financial assets		3,055	12,997	1,010	17,062				
<i>Financial liabilities</i>									
Long-term borrowings									
-Debentures		-	-	215,715	215,715	-	218,125	-	218,125
-Long-term borrowings from financial institutions		-	-	136,369	136,369	-	136,070	-	136,070
Other financial liabilities									
-Derivative liabilities		721	-	-	721	-	721	-	721
Total financial liabilities		721	-	352,084	352,805				

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		Consolidated financial statements							
		Carrying amount				Fair value			
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2023	<i>Note</i>								
Financial assets									
Long term loans to related parties	3	-	-	975	975	-	-	1,012	1,012
Investments in equity securities									
- Marketable equity securities		-	2,245	-	2,245	2,245	-	-	2,245
- Non-marketable equity securities		-	10,389	-	10,389	-	-	10,389	10,389
Other financial assets									
- Derivative assets		2,348	-	-	2,348	-	2,348	-	2,348
Total financial assets		2,348	12,634	975	15,957				
Financial liabilities									
Long-term borrowings									
- Debentures		-	-	203,130	203,130	-	204,046	-	204,046
- Long-term borrowings from financial institution		-	-	131,624	131,624	-	131,853	-	131,853
Other financial liabilities									
- Derivative liabilities		471	-	-	471	-	471	-	471
Total financial liabilities		471	-	334,754	335,225				

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		Separate financial statements							
		Carrying amount			Fair value				
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
As at 31 March 2024	<i>Note</i>								
Financial assets									
Long term loans to related parties	3	-	-	290	290	-	-	272	272
Investments in equity securities									
- Non-marketable equity securities		-	872	-	872	-	-	872	872
Other financial assets									
- Derivative assets		153	-	-	153	-	153	-	153
Total financial assets		153	872	290	1,315				
Financial liabilities									
Long-term borrowings									
- Debentures		-	-	121,965	121,965	-	123,519	-	123,519
- Long-term borrowings from financial institutions		-	-	1,011	1,011	-	1,022	-	1,022
Other financial liabilities									
- Derivative liabilities		66	-	-	66	-	66	-	66
Total financial liabilities		66	-	122,976	123,042				

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(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
At 31 December 2023	<i>Note</i>								
Financial assets									
Long term loans to related parties	3	-	-	350	350	-	-	326	326
Investments in equity securities									
- Non-marketable equity securities		-	879	-	879	-	-	879	879
Other financial assets									
- Derivative assets		157	-	-	157	-	157	-	157
Total financial assets		157	879	350	1,386				
Financial liabilities									
Long-term borrowings									
- Debentures		-	-	109,380	109,380	-	110,343	-	110,343
- Long-term borrowings from financial institution		-	-	1,400	1,400	-	1,415	-	1,415
Other financial liabilities									
- Derivative liabilities		2	-	-	2	-	2	-	2
Total financial liabilities		2	-	110,780	110,782				

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The following table presents valuation technique of financial instruments measured at fair value in statement 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.

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 (31 March 2024: 1.0 - 1.3)	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- <i>Discounted cash flows</i>	Discount rate (31 March 2024: 12%)	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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<i>Non-marketable equity securities</i>				
At 1 January	10,389	13,005	879	919
Acquisition/additional investments	-	6	-	-
Fair value adjustment	(1,188)	(129)	(7)	(14)
Currency translation differences	417	(459)	-	-
At 31 March	9,618	12,423	872	905
At 31 December		10,389		879

Expected credit losses

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Within credit terms	30,835	33,931	1,706	1,816
Overdue 1 - 60 days	5,587	5,081	145	405
Overdue 60 - 120 days	1,701	1,215	7	360
More than 120 days	4,042	3,368	1,254	1,116
Total	42,165	43,595	3,112	3,697
Less allowance for expected credit losses	(1,321)	(1,244)	(197)	(198)
Net	40,844	42,351	2,915	3,499

12 Commitments with non-related parties

12.1 Capital commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
<i>Contracted but not provided for</i>				
Land, buildings and constructions	2,709	3,495	-	-
Machinery, equipment and others	2,091	2,532	9	-
Total	4,800	6,027	9	-

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12.2 Other commitments

- (a) The Company had a Cooperative Technical agreement with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated on 31 December 2025. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to the agreement as at 31 March 2024 totalling Baht 18 million (*31 December 2023: Baht 18 million*).
- (b) The Group and the Company had commitments with financial institutions for letters of guarantee issued by the financial institutions in favour of government agencies and others totalling Baht 187 million and Baht 8 million, respectively (*31 December 2023: Baht 176 million and Baht 8 million, respectively*). The letters of guarantee principally cover the guarantee for sale of goods, taxes and duties.

12.3 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 1,077 million (*31 December 2023: Baht 1,058 million*).

12.4 Contingent Liabilities

Certain foreign subsidiaries had commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 15 million (*31 December 2023: Baht 116 million*).

13 Collateral for liabilities

As at 31 March 2024, certain foreign subsidiaries had secured borrowings from financial institutions which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 16,935 million (*31 December 2023: Baht 16,401 million*), current and non-current assets mainly comprising of leasehold rights, inventories and net accounts receivable and payable, with carrying amount of Baht 5,128 million (*31 December 2023: Baht 4,867 million*), and ordinary shares of a foreign subsidiary of Baht 2,474 million (*31 December 2023: Baht 2,425 million*).

14 Reclassification

The Group reclassified certain items in the interim financial statements for the three-month period ended 31 March 2023 to ensure consistency with the presentation in the interim financial statements for the three-month period ended 31 March 2024 as follows:

	Before reclassification	Reclassification	(Unit: Million Baht) After reclassification
<i>Consolidated statement of income for the three-month period ended 31 March 2023</i>			
<i>Expenses</i>			
Cost of sale of goods	128,202	989	129,191
Distribution costs	5,380	(989)	4,391