

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

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

**For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	Basis of preparation of the interim financial statements
2	Accounting policy
3	Related parties
4	Investments in subsidiaries
5	Investments in associates and joint ventures
6	Property, plant and equipment
7	Long-term borrowings
8	Segment information and disaggregation of revenue
9	Income tax
10	Basic and diluted earnings (losses) per share
11	Financial instruments
12	Commitments with non-related parties
13	Collateral for liabilities
14	Reclassification

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

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

### **For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 14 August 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 30 June 2024 at 2,319.29 (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.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

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 parties

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 six-month period ended 30 June

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>(a) Income</b>				
<b>Significant influence entity</b>				
Sale of goods	4	5	-	-
Software application income	2	1	-	-
<b>Subsidiaries</b>				
Dividend income	-	-	9,148	5,066
Sale of goods	-	-	3,735	2,703
Interest income	-	-	516	288
Rental, service and other income	-	-	90	85
<b>Associates, joint ventures and related companies</b>				
Sale of goods	40,427	36,532	198	1,056
Rental, service and other income	140	211	9	20
Interest income	101	54	-	-
Software application income	83	66	-	-
Dividend income	12	12	58	8
Training and seminar income	3	6	-	-
<b>(b) Expenses and others</b>				
<b>Significant influence entity</b>				
Purchase of raw materials and goods	5,502	6,231	1,050	1,402
Trademark license fees	2,386	2,411	147	172
Technical service fees	49	49	-	-
Acquisition of trademark	5	159	-	-
<b>Subsidiaries</b>				
Purchase of raw materials and goods	-	-	742	1,121
Interest expenses	-	-	238	246
Software application fees	-	-	78	91
Training and seminar fees	-	-	12	16
Other expenses	-	-	45	20

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

(Unit: Million Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
<b>(b) Expenses and others (Continued)</b>				
<b>Associates, joint ventures and related companies</b>				
Purchase of raw materials and goods	28,006	37,677	618	805
Transportation-related expenses	2,363	2,200	9	8
Construction costs of buildings, structures and others	773	1,004	6	8
Leased-related and service expenses	340	353	32	36
Cost of right-of-use assets	337	285	45	72
Supply expenses	197	223	12	16
Software application fees	176	180	-	-
Training and seminar fees	142	133	4	5
Sales promotion expenses	92	96	-	1
Repair and maintenance expenses	67	101	9	17
Purchase of equipment and others	63	91	27	20
Other expenses	125	130	19	21

### 3.2 Balances with related parties as at 30 June 2024 and 31 December 2023 were as follows:

#### 3.2.1 Trade and other current receivables

(Unit: Million Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Significant influence entity	4	2	-	-
Subsidiaries	-	-	781	840
Associates and joint ventures	8,911	9,825	4	30
Related companies	5,462	5,570	877	1,254
<b>Total</b>	<b>14,377</b>	<b>15,397</b>	<b>1,662</b>	<b>2,124</b>

#### 3.2.2 Short-term loans to related parties

(Unit: Million Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Subsidiaries	-	-	18,586	15,635
Related company	39	33	-	-
<b>Total</b>	<b>39</b>	<b>33</b>	<b>18,586</b>	<b>15,635</b>
<b>Average balance</b>	<b>33</b>		<b>16,384</b>	

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

As at 30 June 2024, the short-term loans bear interest at 6.00% to 6.30% 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.

#### 3.2.3 Advance payments for purchase of goods

*(Unit: Million Baht)*

	Consolidated financial statements		Separate financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Associates and joint ventures	112	101	-	-
Related companies	808	438	-	-
<b>Total</b>	<b>920</b>	<b>539</b>	<b>-</b>	<b>-</b>

#### 3.2.4 Accrued dividend income

*(Unit: Million Baht)*

	Consolidated financial statements		Separate financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Subsidiaries	-	-	1,519	-
Associate	134	129	-	-
<b>Total</b>	<b>134</b>	<b>129</b>	<b>1,519</b>	<b>-</b>

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

*(Unit: Million Baht)*

	Consolidated financial statements		
	Outstanding balance		
	30 June 2024	31 December 2023	Average balance
Joint venture	1,010	975	1,010
Less current portion	(1,010)	(975)	(1,010)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

*(Unit: Million Baht)*

	Separate financial statements		
	Outstanding balance		
	30 June 2024	31 December 2023	Average balance
Subsidiary	230	350	280
Less current portion	-	-	-
<b>Total</b>	<b>230</b>	<b>350</b>	<b>280</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

As at 30 June 2024, the long-term loans bear interest at 4.63% to 11.70% 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.

#### 3.2.6 Other non-current assets

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Subsidiary	-	-	3	3
Associates and joint ventures	166	162	-	-
Related companies	93	114	11	11
<b>Total</b>	<b>259</b>	<b>276</b>	<b>14</b>	<b>14</b>

(Unit: Million Baht)

#### 3.2.7 Trade and other current payables

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Significant influence entity	564	494	82	94
Subsidiaries	-	-	90	72
Associates and joint ventures	2,377	3,689	4	8
Related companies	8,703	7,352	74	76
<b>Total</b>	<b>11,644</b>	<b>11,535</b>	<b>250</b>	<b>250</b>

(Unit: Million Baht)

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

	<b>Consolidated financial statements</b>		
	<b>Outstanding balance</b>		
	30 June 2024	31 December 2023	Average balance
Joint venture	101	49	59
Related companies	290	208	334
<b>Total</b>	<b>391</b>	<b>257</b>	<b>393</b>

(Unit: Million Baht)

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 3.2.8 Short-term borrowings from related parties (Continued)

(Unit: Million Baht)

	Separate financial statements		
	Outstanding balance		Average balance
	30 June 2024	31 December 2023	
Subsidiary	18,450	9,490	11,688
<b>Total</b>	<b>18,450</b>	<b>9,490</b>	<b>11,688</b>

As at 30 June 2024, short-term borrowings bear interest at 3.97% to 5.92% 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 financial statements		Separate financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Subsidiary	-	-	20
Associates	417	427	-	-
Related companies	2,168	2,347	269	284
<b>Total</b>	<b>2,585</b>	<b>2,774</b>	<b>289</b>	<b>325</b>

### 3.3 Key management personnel compensations

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<b><i>For the six-month period ended 30 June</i></b>			
Short-term benefits	712	708	109	113
Post-employment under defined benefit plans	9	9	2	2
<b>Total</b>	<b>721</b>	<b>717</b>	<b>111</b>	<b>115</b>
<b><i>At 30 June</i></b>				
Provisions for employee benefits	531	510	110	107
<b>Total</b>	<b>531</b>	<b>510</b>	<b>110</b>	<b>107</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 3.4 Commitments

#### *Capital commitments*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June 2024	31 December 2023	30 June 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	<b>477</b>	<b>610</b>	-	-

(Unit: Million Baht)

As at 30 June 2024, a subsidiary (CPF Restaurant and Food Chain Co., Ltd.) had a commitment to pay Baht 153 million for “FIVE STAR” trademarks and service marks in overseas to Charoen Pokphand Group Company Limited, 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 six-month period ended 30 June 2024 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
Decrease capital in CPF Netherlands B.V. (“CPFN”) <sup>(1)</sup>	-		(5,870)	
Acquire investment in RBPI AS <sup>(2)</sup>	-		14,264	
Dispose investment in RBPI AS <sup>(3)</sup>	-		(14,264)	
Invest and increase capital in RBPI (Thailand) Co., Ltd. (“RBPI TH”) <sup>(3)</sup>	-		14,265	
Increase capital in Homegrown Shrimp (USA) LLC	-		42	
Change status from a subsidiary to a joint venture	-		(712)	
<b>Net</b>	<b>-</b>		<b>7,725</b>	

(Unit: Million Baht)

<sup>(1)</sup> During the six-month period ended 30 June 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.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

- (2) During the six-month period ended 30 June 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 paid the remaining in cash of U.S. Dollar 1 million or equivalent to Baht 37 million in April 2024.
- (3) During the six-month period ended 30 June 2024, the Company established RBPI TH, a new subsidiary, with the payment of registered share capital in April 2024 of Baht 1 million. Subsequently, the Company transferred the entire investment in RBPI AS, which is another subsidiary of the Company, to RBPI TH in June 2024 as the consideration of the increased share capital amounting to Baht 14,264 million.

Details of the Group's subsidiaries as at 30 June 2024 and 31 December 2023 only those with changes during the six-month period ended 30 June 2024 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2024	31 December 2023
<i>Newly incorporated direct subsidiary</i>				
1) RBPI (Thailand) Co., Ltd.	Investment	Thailand	75.87	-
1.1) RBPI AS	Investment	Norway	75.82	75.82
<i>Subsidiaries with change in interests</i>				
1) Sheng Da Foods Co., Ltd. <sup>(1)</sup>	Layer chicken business	Republic of China (Taiwan)	16.58	16.07
2) CPF Poland S.A. <sup>(2)</sup>	Agro-industrial products and food	Poland	49.45	66.67
2.1) CPF Culinar Sp. z o.o. <sup>(2)</sup>	Production of seafood products	Poland	49.45	66.67
2.2) Food Port Sp. z o.o. <sup>(2)</sup>	Distributor of seafood products	Poland	49.45	66.67
2.3) PetRepublic Ltd. <sup>(2)</sup>	Production and sale of pet food	Poland	49.45	66.67
2.4) PLANT-TEC Europe Sp. z o.o. <sup>(2)</sup>	Investment	Poland	49.45	66.67

<sup>(1)</sup> A subsidiary of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

<sup>(2)</sup> Changed status from a subsidiary to a joint venture

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

#### *Loss of control in a subsidiary*

During the six-month period ended 30 June 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., a joint venture 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 six-month period ended 30 June 2024 were as follows:

	<b>Consolidated</b>	<i>(Unit: Million Baht)</i>
	<b>financial statements</b>	<b>Separate</b>
		<b>financial statements</b>
Acquire investment in CP ALL Public Company Limited (“CPALL”)	40	-
Share of profit of investment	5,144	-
Share of other comprehensive income of investment	212	-
Dividend income	(3,936)	-
Loss from investment exchange	(91)	-
Change status from a subsidiary to a joint venture	497	712
Impairment loss	(34)	-
Foreign currency translation differences	3,004	-
<b>Net</b>	<b>4,836</b>	<b>712</b>

The Group accounts for the investment in CPALL and CP Aextra Public Company Limited, which are listed companies in the Stock Exchange of Thailand and Sao Ta Foods Joint Stock Company, which is listed company in the Ho Chi Minh City Stock Exchange, in the consolidated financial statements by the equity method. As at 30 June 2024, the fair value of the investments were Baht 169,437 million, Baht 25,274 and Baht 1,154 million, respectively (*31 December 2023: Baht 173,265 million, Baht 25,040 million and Baht 999 million, respectively*). As at 30 June 2024, the Group holds 34.45% interest in CPALL.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 6 Property, plant and equipment

	<u>Consolidated</u> <u>financial statements</u>	<i>(Unit: Million Baht)</i> <u>Separate</u> <u>financial statements</u>
<i>For the six-month period ended 30 June 2024</i>		
Impact from TAS 29, at initial application	1,187	-
Acquisition - at cost	7,356	186
Borrowing cost	125	1
Disposals and write-off - net book value	(2,213)	(3)
Transfer to assets held for sale - net book value	(184)	-
Reversal of impairment losses	104	54
Impact from hyperinflation	1,099	-

### 7 Long-term borrowings

#### *Debenture*

During the six-month period ended 30 June 2024, the Company issued unsubordinated, unsecured debentures, in registered name and with debenture holder representative as follows:

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

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.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 8 Segment information and disaggregation of revenue

#### *Information about reportable segments*

The Group presents the following main segments:

Segment 1 : Livestock business

Segment 2 : Aquaculture business

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2024	2023
<b><i>Segment revenue</i></b>		
Livestock business	253,795	253,730
Aquaculture business	35,740	40,297
<b>Total</b>	<b>289,535</b>	<b>294,027</b>
<b><i>Segment results</i></b>		
Livestock business	17,885	8,955
Aquaculture business	1,868	1,371
<b>Total allocated segment results</b>	<b>19,753</b>	<b>10,326</b>
Unallocated segment results	(10,395)	(13,396)
<b>Profit (loss) for the period</b>	<b>9,358</b>	<b>(3,070)</b>

#### *Information about geographical areas*

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2024	2023
<b><i>Revenue from external customers</i></b>		
Thailand	90,059	96,311
Asia	143,906	143,076
Europe	40,206	39,124
America	14,819	14,907
Others	545	609
<b>Total</b>	<b>289,535</b>	<b>294,027</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### Disaggregation of revenue

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

(Unit: Million Baht)

Categories of main products	Consolidated financial statements					
	Reportable segments					
	Livestock business		Aquaculture business		Total	
	2024	2023	2024	2023	2024	2023
Animal feed	46,368	50,026	20,099	22,185	66,467	72,211
Animal farm products	148,084	145,081	11,986	14,201	160,070	159,282
Processed foods and ready meals	59,343	58,623	3,655	3,911	62,998	62,534
<b>Total</b>	<b>253,795</b>	<b>253,730</b>	<b>35,740</b>	<b>40,297</b>	<b>289,535</b>	<b>294,027</b>

(Unit: Million Baht)

Categories of main products	Separate financial statements	
	Reportable segment	
	Aquaculture business	
	2024	2023
Animal feed	6,924	7,773
Animal farm products	4,131	5,283
Processed foods and ready meals	1,155	787
<b>Total</b>	<b>12,210</b>	<b>13,843</b>

### Contract Balances

As at 30 June 2024, the Group and the Company had contract liabilities of Baht 1,904 million and Baht 16 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 30 June 2024.

## 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.

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 10 Basic and diluted earnings (losses) per share

The calculations of earnings (losses) per share for the three-month and six-month periods ended 30 June were based on the profit (loss) for the 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 and six-month periods ended as follows:

*For the three-month period ended 30 June*

	<i>(Unit: Million Baht/Million shares)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2024	2023	2024	2023
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>6,925</b>	<b>(792)</b>	<b>1,072</b>	<b>3,573</b>
<i>Less: cumulative interest expense and related expenses for the period net of income tax on subordinated perpetual debentures</i>	<i>(268)</i>	<i>(135)</i>	<i>(268)</i>	<i>(135)</i>
<b>Profit (loss) used in calculation of basic and diluted earnings (loss) per share</b>	<b>6,657</b>	<b>(927)</b>	<b>804</b>	<b>3,438</b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
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)	(289)	(171)	(289)
<b>Number of ordinary shares outstanding at the end of period</b>	<b>7,744</b>	<b>7,852</b>	<b>8,243</b>	<b>8,322</b>
<b>Basic and diluted earnings (loss) per share (in Baht)</b>	<b>0.86</b>	<b>(0.12)</b>	<b>0.10</b>	<b>0.41</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

*For the six-month period ended 30 June*

*(Unit: Million Baht/Million shares)*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2024	2023	2024	2023
<b>Profit (loss) for the period attributable to ordinary shareholders of the Company</b>	<b>8,077</b>	<b>(3,518)</b>	<b>8,676</b>	<b>1,418</b>
<i>Less: cumulative interest expense and related expenses for the period net of income tax on subordinated perpetual debentures</i>	<u>(538)</u>	<u>(268)</u>	<u>(538)</u>	<u>(268)</u>
<b>Profit (loss) used in calculation of basic and diluted earnings (loss) per share</b>	<b><u>7,539</u></b>	<b><u>(3,786)</u></b>	<b><u>8,138</u></b>	<b><u>1,150</u></b>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
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	<u>(171)</u>	<u>(267)</u>	<u>(171)</u>	<u>(267)</u>
<b>Number of ordinary shares outstanding at the end of period</b>	<b><u>7,744</u></b>	<b><u>7,874</u></b>	<b><u>8,243</u></b>	<b><u>8,344</u></b>
<b>Basic and diluted earnings (loss) per share (in Baht)</b>	<b><u>0.97</u></b>	<b><u>(0.48)</u></b>	<b><u>0.99</u></b>	<b><u>0.14</u></b>

## 11 Financial Instruments

### *Carrying amounts and fair values*

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

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

**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

(Unit: Million Baht)

		<b>Consolidated financial statements</b>							
		<b>Carrying amount</b>				<b>Fair value</b>			
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>As at 30 June 2024</b>		<i>Note</i>							
<b>Financial assets</b>									
Long term loan to related party	3	-	-	1,010	1,010	-	-	1,030	1,030
Investments in equity securities									
-Marketable equity securities		-	3,890	-	3,890	3,890	-	-	3,890
-Non-marketable equity securities		-	9,678	-	9,678	-	-	9,678	9,678
Other financial assets									
-Derivative assets		2,984	-	-	2,984	-	2,984	-	2,984
<b>Total financial assets</b>		<b>2,984</b>	<b>13,568</b>	<b>1,010</b>	<b>17,562</b>				
<b>Financial liabilities</b>									
Long-term borrowings									
-Debentures		-	-	197,082	197,082	-	198,620	-	198,620
-Long-term borrowings from financial institutions		-	-	139,716	139,716	-	139,500	-	139,500
Other financial liabilities									
-Derivative liabilities		521	-	-	521	-	521	-	521
<b>Total financial liabilities</b>		<b>521</b>	<b>-</b>	<b>336,798</b>	<b>337,319</b>				

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

**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

(Unit: Million Baht)

**Consolidated financial statements**

	Note	Carrying amount				Fair value			
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>As at 31 December 2023</b>									
<b>Financial assets</b>									
Long term loan to related party	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
<b>Total financial assets</b>		<b>2,348</b>	<b>12,634</b>	<b>975</b>	<b>15,957</b>				
<b>Financial liabilities</b>									
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
<b>Total financial liabilities</b>		<b>471</b>	<b>-</b>	<b>334,754</b>	<b>335,225</b>				

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

**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount			Fair value				
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>As at 30 June 2024</b>	<i>Note</i>								
<b>Financial assets</b>									
Long term loan to related party	3	-	-	230	230	-	-	217	217
Investments in equity securities									
- Non-marketable equity securities		-	1,002	-	1,002	-	-	1,002	1,002
Other financial assets									
- Derivative assets		163	-	-	163	-	163	-	163
<b>Total financial assets</b>		<b>163</b>	<b>1,002</b>	<b>230</b>	<b>1,395</b>				
<b>Financial liabilities</b>									
Long-term borrowings									
- Debentures		-	-	107,332	107,332	-	108,382	-	108,382
- Long-term borrowings from financial institutions		-	-	1,024	1,024	-	1,033	-	1,033
Other financial liabilities									
- Derivative liabilities		42	-	-	42	-	42	-	42
<b>Total financial liabilities</b>		<b>42</b>	<b>-</b>	<b>108,356</b>	<b>108,398</b>				

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

**Notes to the interim financial statements**

**For the three-month and six-month periods ended 30 June 2024 (Unaudited)**

(Unit: Million Baht)

		Separate financial statements							
		Carrying amount				Fair value			
		Hedging instruments	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>At 31 December 2023</b>	<i>Note</i>								
<b>Financial assets</b>									
Long term loan to related party	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
<b>Total financial assets</b>		<b>157</b>	<b>879</b>	<b>350</b>	<b>1,386</b>				
<b>Financial liabilities</b>									
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
<b>Total financial liabilities</b>		<b>2</b>	<b>-</b>	<b>110,780</b>	<b>110,782</b>				

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

### For the three-month and six-month periods ended 30 June 2024 (Unaudited)

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

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Swap agreements	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.
Derivatives	Derived by a model using a valuation technique that incorporates 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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non-marketable equity securities	- <i>Market comparison technique:</i> The valuation model is based on multiples derived from market information comparable to the investee, and adjusted for the effect of the non-marketability of the equity securities.	Adjusted multiple (30 June 2024: 1.0 - 1.2)	The estimated fair value would increase (decrease) if the adjusted multiple were higher (lower).
	- <i>Discounted cash flows</i>	Discount rate (30 June 2024: 9%)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### Reconciliation of Level 3 fair values

#### Investment in equity securities measured at FVOCI

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2024	2023	2024	2023
<i>Non-marketable equity securities</i>				
At 1 January	10,389	13,005	879	919
Acquisition/additional investments	160	6	160	-
Fair value adjustment	(1,390)	(234)	(37)	40
Currency translation differences	519	175	-	-
<b>At 30 June</b>	<b>9,678</b>	<b>12,952</b>	<b>1,002</b>	<b>959</b>
<b>At 31 December</b>		<b>10,389</b>		<b>879</b>

#### Expected credit losses

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Within credit terms	31,807	33,931	1,653	1,816
Overdue 1 - 60 days	5,575	5,081	221	405
Overdue 60 - 120 days	1,035	1,215	7	360
More than 120 days	3,926	3,368	1,063	1,116
<b>Total</b>	<b>42,343</b>	<b>43,595</b>	<b>2,944</b>	<b>3,697</b>
Less allowance for expected credit losses	(1,035)	(1,244)	(197)	(198)
<b>Net</b>	<b>41,308</b>	<b>42,351</b>	<b>2,747</b>	<b>3,499</b>

## 12 Commitments with non-related parties

### 12.1 Capital commitments

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
<i>Contracted but not provided for</i>				
Land, buildings and constructions	2,771	3,495	-	-
Machinery, equipment and others	2,428	2,532	5	-
<b>Total</b>	<b>5,199</b>	<b>6,027</b>	<b>5</b>	<b>-</b>

# Charoen Pokphand Foods Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2024 (Unaudited)

### 12.2 Other commitments

- (a) The Company had a Cooperative Technical agreement with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated on 31 December 2025. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to the agreement as at 30 June 2024 totalling Baht 17 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 184 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 1,234 million (*31 December 2023: Baht 1,058 million*).

## 13 Collateral for liabilities

As at 30 June 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 18,611 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 5,223 million (*31 December 2023: Baht 4,867 million*), and ordinary shares of a foreign subsidiary of Baht 2,699 million (*31 December 2023: Baht 2,425 million*).

## 14 Reclassification

The Group reclassified certain items in the interim financial statements for the three-month and six-month periods ended 30 June 2023 to ensure consistency with the presentation in the interim financial statements for the three-month and six-month periods ended 30 June 2024 as follows:

	Before reclassification	Reclassification	(Unit: Million Baht) After reclassification
<b><i>Consolidated statement of income for the three-month period ended 30 June 2023</i></b>			
<b><i>Expenses</i></b>			
Cost of sale of goods	133,750	1,175	134,925
Distribution costs	5,862	(1,175)	4,687
<b><i>Consolidated statement of income for the six-month period ended 30 June 2023</i></b>			
<b><i>Expenses</i></b>			
Cost of sale of goods	261,953	2,163	264,116
Distribution costs	11,242	(2,163)	9,079