

-Translation-

Bor Mor Jor. Jor Por Or. 062/2023

August 11, 2023

Subject Management's Discussion and Analysis for the operating results of the second quarter of 2023 which decreased over 20% from the same period of the previous year

Attention President  
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited would like to inform the operating results for the second quarter of the year 2023 of the Company and its subsidiaries (collectively referred to as the "Company") as follows:

In the second quarter of 2023, sales revenue was THB 150,246 million, of which THB 93,652 million (62%) was contributed by international operations and THB 56,594 million (38%) was from Thailand operations. The Company incurred a net loss attributable to the Company of THB 793 million, representing a 119% decrease from the same period of the previous year. This decline was due to the reduction of gross profit margin reported at 11.0% declined from 14.5% in the second quarter of the previous year. The main factors are outlined below:

1. Production costs including raw material costs used in animal feed production and energy cost increased.
2. Price of swine was lower than the same period last year due to an oversupply of pork from illegal imports and the decreased impact of the African Swine Fever (ASF) which resulted in an increase in swine production. In addition, market consumption is lower-than-anticipated.
3. Overall economic conditions impacted negatively on purchasing power in various countries.

Furthermore, there are other factors contributing to the net loss, such as share of loss of associates and joint ventures, led by the operational performance of an associate in China which was affected by low swine prices and high raw material costs. Additionally, the upward trend of interest rates globally has also resulted in increased interest expenses and financial costs for the Company compared to the same period in the previous year.

Please be informed accordingly.

Sincerely yours,

*Kobboon Srichai*  
(Mrs. Kobboon Srichai)  
Company Secretary