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Bor Mor Jor. Jor Por Or. 008/2024

February 27, 2024

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

Attn : President  
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited would like to inform you the operating results of the Company and subsidiaries (collectively called the "Company") for the year 2023 which decreased over 20% from the previous year as follows:

1. Sales revenue amounted to THB 585,844 million (62% from international operations, 32% from Thailand domestic operations, and 6% from Thailand export operations), a decrease of THB 28,353 million or a 4.6% drop from the previous year. The main reasons were lower swine price than year 2022 and translation loss of financial statements from oversea subsidiaries caused by the volatility of foreign exchange.
2. Gross profit in 2023 amounted to THB 61,201 million, a decrease of 25% from the previous year (the gross profit margin in 2023 was 10.4%, down from 13.3% in 2022). This decrease was impacted by the following factors:
  - 2.1 Swine price decreased by 15% on average from 2022, mainly due to price decreases in Thailand, Vietnam, and Cambodia. Specifically, Thai swine price decreased by approximately 31%, resulted from illegal pork imports into Thailand which decreased price of swine below the cost of operation.
  - 2.2 The increase in cost of production including the raw material prices used in feed production and the costs of energy.
  - 2.3 The overall economic conditions in various countries have impacted purchasing power, resulting in prices being unable to reflect the increasing costs.
  - 2.4 The financial costs in 2023 amounted to THB 25,506 million, representing a 25% increase from 2022, mainly attributable to the global rise in interest rates.

With the aforementioned factors in 2023, the net loss attributable to the Company was THB 5,207 million, which decreased by 137% from 2022.

Please be informed accordingly.

Sincerely yours,

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