

CPF Trading Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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These notes form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Director on 27 February 2023.

1 General information

CPF Trading Company Limited, the “Company”, is a limited company incorporated in Thailand on 7 December 2000 and has its registered office at 1 C.P. Tower 2, 28th, 29th and 31st Floor, Ratchadaphisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok 10400, Thailand.

The immediate and the ultimate parent companies of the Group and the Company are C.P. Merchandising Co., Ltd. (“CPM”), which owns 99.99% of the Company’s share capital and Charoen Pokphand Foods Public Company Limited (“CPF”), respectively. Both companies were incorporated in Thailand.

Business restructuring

In December 2022, Board of Directors of CPF approved a restructuring of food trading, restaurant operations, pet snack businesses of CPF and its Subsidiaries (“CPF Group”) under which the Company acquired a group of companies which were previously subsidiaries of CPM and export trading businesses directly operated by CPM. The acquisition of the group of companies which were previously subsidiaries of CPM was completed in December 2022.

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Details of the acquired companies which were previously subsidiaries of CPM were as follows:

<i>(Unit: Million Baht)</i>					
Name of the entities	Acquisition date	Ownership interest (%)	Consideration transferred	Carrying amount of net assets	Surplus (deficit) on common control transactions
• Chester's Food Co., Ltd.	15 December 2022	99.99	523	524	1
• CP Foods Singapore Pte. Ltd.	15 December 2022	100.00	118	163	45
• CPF Denmark A/S	15 December 2022	52.00	110	206	96
• CPF Hong Kong Co., Ltd.	15 December 2022	100.00	572	432	(140)
• CPF Restaurant and Food Chain Co., Ltd.	15 December 2022	99.99	666	1,016	350
• C.P. Food Products, Inc.	15 December 2022	100.00	1,233	1,332	99
• International Pet Food Co., Ltd.	15 December 2022	99.99	501	736	235
• Consumer Package Commerce Co., Ltd.*	16 December 2022	100.00	59	73	14
• CPF Europe S.A.*	16 December 2022	99.99	2,619	5,219	2,600
Total			6,401	9,701	3,300

*Indirect subsidiaries acquired by CPF Hong Kong Co., Ltd.

All the acquisitions were assessed by Management as business acquisitions of entities or businesses which are controlled commonly by the ultimate controlling shareholder before and after the acquisition dates and that control was not transitory. Accordingly, the consolidated financial statements were prepared based on the business combination under common control basis. As a result, the acquired businesses have been accounted for using a method similar to the pooling of interest method, to reflect the economic substances of the companies in the Group which were under common control throughout the related period as one economic unit from 1 January 2021 for the benefit of comparison, although the legal form of the relationship of the Company and the subsidiaries was effective subsequently.

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The principal activities of the Company and its Subsidiaries (together referred to as the “Group”) are food trading, restaurant operations, pet snack businesses. As the flagship food trading and distribution business of the CPF Group, the Group is the distributor of CPF’s food products in Thailand and overseas.

Separate financial statements refer to the standalone financial statements of the Company.

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 (%)	
			2022	2021
1) Chester’s Food Co., Ltd.	Restaurant business	Thailand	99.99	-
2) CP Foods Singapore Pte. Ltd.	Importer and distributor of fresh meat and processed food, including Ready-to-eat (“RTE”) products and seafood	Singapore	100.00	-
3) CPF Denmark A/S ⁽¹⁾	Importer and distributor of fresh meat and processed food, including RTE products and frozen fruit	Denmark	52.00	-
4) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, fresh meat, processed meat, seafood, milk product, RTE products, frozen fruit, and investment	Hong Kong Special Administrative Region	100.00	-
4.1) Consumer Package Commerce Co., Ltd. ⁽²⁾	Importer and distributor of fresh meat and processed food	South Korea	100.00	-
4.2) CPF Europe S.A.	Importer and distributor of fresh meat, processed food, including RTE products, dry food, ingredients, seafood, and investment	Belgium	99.99	-
4.2.1) CP Foods (UK) Limited	Importer, repacking services, and distributor of processed meat, including RTE products	United Kingdom	99.99	-
4.1.2.1) The Foodfellas Limited	Importer/exporter and distributor of ingredients, food products and frozen fruit	United Kingdom	99.99	-
4.2.2) Paulsen Food GmbH	Distributor of fresh meat, processed products, seafood and investment	Germany	99.99	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
4.2.2.1) CPF Distribution GmbH	Distribution of ready meals	Germany	99.99	-
4.2.2.2) ZGG Verwaltungs GmbH	Investment	Germany	99.99	-
4.2.3) Westbridge Food Group Limited	Investment	United Kingdom	99.99	-
4.2.3.1) Food Trac Limited	Distribution of meat products	United Kingdom	99.99	-
4.2.3.2) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	99.99	-
4.2.3.2.1) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	-
4.2.3.3) Westbridge Foods (France) SARL	Distribution of meat products	France	99.99	-
4.2.3.4) Westbridge Group License Companies ⁽³⁾	Importer of poultry meat products	United Kingdom	-	-
4.2.3.5) Westbridge Holding B.V.	Investment	Netherlands	99.99	-
4.2.3.6) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	99.99	-
4.2.3.7) Wignall Holdings Limited ⁽³⁾	Investment	United Kingdom	-	-
4.2.3.7.1) Westbridge Foods (Haydock) Limited ⁽³⁾	Distribution of fresh meat products	United Kingdom	-	-
5) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurant	Thailand	99.99	-
6) C.P. Food Products, Inc.	Importer and distributor of seafood products, RTE products and frozen fruit	United States of America	100.00	-
7) International Pet Food Co., Ltd.	Production and sale of pet snack product	Thailand	99.99	-
8) CPF Food Network Co., Ltd.	Exporter and importer of processed food, including RTE products	Thailand	99.99	-

⁽¹⁾ The Group has the power to govern this company.

⁽²⁾ Acquired by CPM in 2021.

⁽³⁾ Closed in 2022.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standard (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions.

2.2 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million Baht unless otherwise stated.

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2.3 Use of judgements and estimates

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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its Subsidiaries (together referred to as the "Group") and the Group's interests in an associate and a joint venture.

Business combinations

The Group applies the acquisition method when the Group assess 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, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred. 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.

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 recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When purchase price is less than net recognised amount 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.

Transaction costs that are incurred in connection with a business combination are recorded as expenses as incurred.

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.

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Business combinations under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be transferred to retained earnings upon divestment of the businesses to outside the Group of parent company.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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 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 do not result in a loss of control are accounted for as surplus/deficit in shareholders' equity transactions.

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, the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary are derecognised. 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.

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The Group recognised investment in associate and joint venture 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 gains or losses arising from associate and joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investment in subsidiaries, associate and joint venture

Investment in subsidiaries, associate and joint venture 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 applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currencies of the Group entities 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.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into the functional currency at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- qualifying cash flow hedges to the extent that the hedge is effective.

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Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign operations are translated into 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.

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade and other accounts receivable (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, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (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.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. 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.

Investment in equity securities measured at FVOCI are subsequently measured at fair value. Dividend income is 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. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

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(d.2) Derecognition and offset

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivatives are recognised at fair value and remeasured at 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 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.

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 other comprehensive income 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 (forward points) is recognised in a cash flow 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 cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

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For all other hedged forecast transactions, the amount accumulated in the cash flow 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 cashflow 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 cash flow hedging reserve is immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivable

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's 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.

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 takes 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 are 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.

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(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition and bank overdrafts that are repayable on demand.

(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 expected credit loss. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the 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, and supplies are measured principally at the lower of cost (first in first out method) and net realisable value.

Work in progress is measured principally at the lower of cost and net realisable value.

Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

Difference between the proceeds from disposal with the carrying amount of property, plant and equipment are recognised 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 if it is probable that 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.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised on profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings	20 - 40	years
Leasehold improvements	5 - 20	years
Utilities system	5 - 20	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	2 - 10	years
Vehicles	3 - 5	years

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill related to associate and joint venture is included in the carrying amount of the investment in associate and joint venture.

(j) Intangible assets

Research and development

Development expenditure is capitalised only if they 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.

Other intangible assets

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 future economic benefits embodied in the specific asset to which it relates.

Other intangible assets that are acquired by the Group and have indefinite useful lives are trademarks, they are measured at cost less accumulated impairment losses and not amortised.

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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 costs	3 - 10 years
Customer relationships	10 - 15 years
Trademarks	Indefinite useful life
Software licenses	3 - 10 years

(k) 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 the relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components 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 are 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 the lease liability. The cost of a 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.

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.

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(l) *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.

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

An impairment loss on 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.

(m) *Employee benefits*

Post-employment benefit - defined benefit plans

The Group's net obligation in respect of defined benefit plans is 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.

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Termination benefits

Termination benefits are recognised as an expense 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 as an expense 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.

(n) 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.

(o) 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 long positions at a bid price and liabilities and short positions at an ask price.

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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.

(p) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts and/or rebates.

Sale of goods

Revenue from sales of goods is recognised at a point of time 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.

Customer loyalty programme

The consideration received is allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The loyalty points expire at the end of calendar year.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Other income

Other operating income is recognised in profit or loss on the accrual basis.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or 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 or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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Deferred tax

Deferred tax is recognised, using the balance sheet liability method, 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, associate and joint venture to the extent that the group is able to control the timing of the reversal of the temporary difference and it 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. Deferred tax assets and liabilities are offset in the separate financial statements.

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.

(r) Basic earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(s) Segment reporting

Segment results that are reported to the President (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 parties

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly, 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.

4.1 Significant transactions with related parties for the years ended 31 December

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(a) Income				
Ultimate and immediate parent companies				
Sale of goods	87	99	7	19
Interest income	6	22	6	22
Rental and service income	3	7	-	-
Other income	6	15	5	15

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	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(a) Income (Continued)				
Associate				
Sale of goods	937	753	-	-
Related companies				
Sale of goods	45,334	28,855	45,222	28,863
Interest income	9	9	-	1
Rental and service income	6	3	4	1
Other income	617	651	600	630
(b) Expenses and others				
Ultimate and immediate parent companies				
Purchase of goods	15,662	12,396	3,682	4,227
Interest expense	3	1	3	-
Other expenses	42	36	38	33
Related companies				
Purchase of goods	92,333	70,983	82,663	63,353
Transportation fees	1,883	266	1,858	248
Software application fees	197	217	157	180
Rental and service expenses	158	148	94	91
Purchase of right-of-use asset	101	231	85	144
Training and seminar fees	82	45	69	34
Purchase of equipment and others	16	33	1	6
Interest expense	13	17	8	-
Repair expense	6	18	4	16
Construction cost of buildings, structures and others	1	55	-	53
Loss on sale of plant and equipment	-	53	-	53
Loss on disposal of investment	-	14	-	-
Purchase of intangible asset	-	3	-	3
Trademark license fee	-	2	-	2
Other expenses	339	314	247	246

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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	
	2022	2021	2022	2021
Ultimate and immediate parent companies	5	11	2	3
Subsidiaries	-	-	26	-
Associate	158	100	-	-
Related companies	7,902	6,328	7,806	6,245
Total	8,065	6,439	7,834	6,248

4.2.2 Short-term loans

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Immediate parent company	-	500	550	1,917
Related companies	42	59	42	80
Total	42	559	592	1,997

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Immediate parent company	-	500	550	1,917
Total	-	500	550	1,917

In 2021, short-term loan to parent company bear interest at 1.13% per annum. Short-term loans to related companies bear interest at 5.00 % per annum (2021: 3.25 % per annum). The Group and the Company compute the average balance from the outstanding balances of short-term loans at the end of each month excluding accrued interest income.

4.2.3 Long-term loans

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Related companies	285	247	261	248
Total	285	247	261	248

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(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Related companies	-	-	-	29
Total	-	-	-	29

Long-term loans to related companies bear interest at 2.65 % per annum (2021: 2.63 % per annum). The Group and the Company compute the average balance from the outstanding balances of long-term loans at the end of each month excluding accrued interest income.

4.2.4 Accounts payable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Ultimate and immediate parent companies	3,741	2,039	342	485
Subsidiaries	-	-	46	-
Associate	3	2	-	-
Related companies	8,452	6,816	7,500	6,228
Total	12,196	8,857	7,888	6,713

4.2.5 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Immediate parent company	200	15	17	15
Related companies	8,640	123	743	316
Total	8,840	138	760	331

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2022	2021	2022	2021
Immediate parent company	200	-	17	-
Related companies	5,999	-	500	-
Total	6,199	-	517	-

Short-term borrowings from parent company bear interest at 4.70 % per annum (2021: 3.43 % per annum). Short-term borrowings from related companies bear interest at 3.79 % per annum (2021: 3.64 % per annum). The Group and the Company compute the average balance from the outstanding balances of short-term borrowings at the end of each month excluding accrued interest expense.

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4.2.6 Lease liabilities

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Related companies	282	400	218	303
Total	<u>282</u>	<u>400</u>	<u>218</u>	<u>303</u>

4.3 Key management personnel compensation

Key management personnel compensation consists of:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>For the year ended 31 December</i>				
Short-term employee benefits	246	284	14	18
Post-employment under defined benefit plans	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total	<u>248</u>	<u>286</u>	<u>14</u>	<u>18</u>
<i>As at 31 December</i>				
Provision for employee benefits	<u>51</u>	<u>57</u>	<u>11</u>	<u>14</u>
Total	<u>51</u>	<u>57</u>	<u>11</u>	<u>14</u>

4.4 Significant agreements

As at 31 December 2022, the Group had the following significant agreements with related parties:

4.4.1 Trademark agreements

The Group has trademark agreements with Charoen Pokphand Group Company Limited (“CPG”), for the right to use trademarks as stipulated in the agreements. In this regard, the Group is committed to pay trademark license fees to CPG based on the total revenue. For the year ended 31 December 2022, the Group recognised the license fees of Baht 0.3 million and 0.3 million in the consolidated financial statements and the separate financial statements, respectively.

4.4.2 Software application agreements

The Group has software application agreements with a related company, CPF IT Center Co., Ltd. Under the terms of the agreements, the related company agrees to provide the Group with information technology services and the Group is committed to pay the service fees based on a number of users of each application. For the year ended 31 December 2022, the Group recognised the service fees of Baht 197 million and 157 million in the consolidated financial statements and the separate financial statements, respectively. The agreements may be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

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4.4.3 Agreements for share service

The Group has share service agreements with parent company (Charoen Pokphand Foods Public Company Limited (“CPF”). Under the terms of the agreements, CPF agrees to provide services related to policy and accounting principles, compliance, legal and financial management and financing. In this regard, the Group is committed to pay the service fees to CPF in accordance with the terms, conditions and rates as stipulated in the agreements. For the year ended 31 December 2022, the Group recognised the share service fees of Baht 42 million and 38 million in the consolidated financial statements and the separate financial statements, respectively.

5 Cash and cash equivalents

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash on hand	6	7	-	-
Cash at banks	6,745	2,763	3,577	450
Total	6,751	2,770	3,577	450

6 Inventories

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Raw materials	59	41	-	-
Supplies	107	61	2	2
Work in progress	176	74	-	-
Finished goods	9,908	6,303	682	445
Inventory in transit	2,337	1,950	-	-
Total	12,587	8,429	684	447
<i>Less allowance for decline</i>				
in value of inventories	(282)	(211)	-	-
Net	12,305	8,218	684	447
Inventories recognised in cost of sale of goods:				
- Cost	140,500	112,933	89,193	71,077
- Devaluation to net realisable value	71	58	-	-
Total	140,571	112,991	89,193	71,077

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7 Investment in subsidiaries

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
As at 1 January	-	-	-	-
Acquisitions/additional investments	-	-	3,729	-
As at 31 December	-	-	3,729	-

Details of investment in subsidiaries

Investment in subsidiaries as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	Ownership interest		Cost - method	
	(<i>%</i>)			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Chester's Food Co., Ltd.	99.99	-	523	-
CP Foods Singapore Pte. Ltd.	100.00	-	118	-
CPF Denmark A/S	52.00	-	110	-
CPF Hong Kong Co., Ltd.	100.00	-	573	-
CPF Restaurant and Food Chain Co., Ltd.	99.99	-	666	-
C.P. Food Products, Inc.	100.00	-	1,233	-
International Pet Food Co., Ltd.	99.99	-	501	-
CPF Food Network Co., Ltd.	99.99	-	5	-
Total			3,729	-

8 Investment in associate

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
As at 1 January	29	26	-	-
Share of profit	7	5	-	-
Dividend income	(4)	(2)	-	-
As at 31 December	32	29	-	-

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Details of investment in associate

Details of investment in associate as at 31 December were as follows:

	Ownership interest		Consolidated		<i>(Unit: Million Baht)</i>	
	<i>(%)</i>		financial statements		Separate	
	2022	2021	Equity method		Cost method	
			2022	2021	2022	2021
<i>Non- marketable security</i>						
BHJ Kalino Food AB* (“BHJ”)	15.08	-	32	29	-	-
Total			32	29	-	-

* BHJ is incorporated and mainly operate in Sweden and is an associate in which 29.00% of the total issued and paid share capital is held by CPF Denmark A/S (“CPF DM”), a 52.00% directly owned subsidiary. In this regard, the Group accounted for its investment in BHJ using the equity method based on 15.08% effective shareholding in the consolidated financial statements.

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Immaterial associate

The following is summarised financial information for the Group's interest in immaterial associate:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2022</u>	<u>2021</u>
Carrying amount of interests in immaterial associate	<u>32</u>	<u>29</u>
Group's share of:		
- Profit from continuing operations	<u>7</u>	<u>5</u>
- Total comprehensive income	<u>7</u>	<u>5</u>

9 Investment in joint venture

Movements during the years ended 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
As at 1 January	6	7	-	-
Share of profit	8	3	-	-
Dividend income	(3)	(4)	-	-
As at 31 December	<u>11</u>	<u>6</u>	<u>-</u>	<u>-</u>

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Details of investment in joint venture

Investment in joint venture as at 31 December were as follows:

	Ownership interest		Consolidated		(Unit: Million Baht)	
	(%)		financial statements		Separate	
	2022	2021	Equity method		financial statements	
			2022	2021	Cost method	
			2022	2021	2022	2021
<i>Non- marketable security</i>						
Westbridge Foods Holding B.V.* (“WBFH”)	49.99	-	11	6	-	-
Total			11	6	-	-

* WBFH is incorporated and mainly operated in Netherlands and is a joint venture in which 50.00% of the total issued and paid share capital is held by Westbridge Food Group Limited (“WFG”), a 99.99% indirectly owned subsidiary of CPF Europe S.A. WBFH is a joint venture because investor has joint control over significant financial and operating decisions and has rights to the net assets of WBFH. In this regard, the Group accounted for its investment in WBFH using the equity method based on 49.99% effective shareholding in the consolidated financial statements.

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Immaterial joint venture

The following is summarised financial information for the Group's interest in immaterial joint venture based on the amounts reported in the Group's consolidated financial statements:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2022	2021
Carrying amount of interests in immaterial joint venture	11	6
Group's share of:		
- Profit from continuing operations	8	3
- Total comprehensive income	8	3

10 Property, plant and equipment

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Land	Buildings, leasehold improve- ments and utilities system	Machinery and equipment	Furniture, fixture and office equipment and vehicles	Assets under construction and installation	Total
Cost						
As at 1 January 2021	5	984	1,780	964	188	3,921
Additions	-	3	36	484	331	854
Transfers	-	321	58	78	(457)	-
Disposals	-	(517)	(381)	(499)	-	(1,397)
Currency translation differences	-	3	16	7	-	26
As at 31 December 2021 and 1 January 2022	5	794	1,509	1,034	62	3,404
Additions	-	1	16	393	226	636
Transfers	-	115	31	36	(195)	(13)
Disposals	-	(56)	(123)	(70)	-	(249)
Currency translation differences	-	(2)	(11)	(6)	(1)	(20)
As at 31 December 2022	5	852	1,422	1,387	92	3,758

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10 Property, plant and equipment (continued)

(Unit: Million Baht)

	Consolidated financial statements					Total
	Land	Buildings, leasehold improve- ments and utilities system	Machinery and equipment	Furniture, fixture and office equipment and vehicles	Assets under construction and installation	
<i>Accumulated depreciation and impairment losses</i>						
As at 1 January 2021	-	(447)	(869)	(502)	-	(1,818)
Depreciation charge for the year	-	(74)	(232)	(148)	-	(454)
Reversal of impairment losses	-	-	-	1	-	1
Disposals	-	175	263	219	-	657
Currency translation differences	-	(1)	(10)	(4)	-	(15)
As at 31 December 2021 and 1 January 2022	-	(347)	(848)	(434)	-	(1,629)
Depreciation charge for the year	-	(57)	(167)	(207)	-	(431)
Disposals	-	34	110	66	-	210
Currency translation differences	-	1	7	4	-	12
As at 31 December 2022	-	(369)	(898)	(571)	-	(1,838)
<i>Net book value</i>						
As at 31 December 2021 and 1 January 2022	5	447	661	600	62	1,775
As at 31 December 2022	5	483	524	816	92	1,920

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10 Property, plant and equipment (continued)

(Unit: Million Baht)

	Separate financial statements				Total
	Buildings, leasehold improvements and utilities system	Machinery and equipment	Furniture, fixture and office equipment and vehicles	Assets under construction and installation	
Cost					
As at 1 January 2021	269	454	532	166	1,421
Additions	-	15	81	235	331
Transfers	281	47	67	(395)	-
Disposals	(487)	(307)	(485)	-	(1,279)
As at 31 December 2021 and 1 January 2022	63	209	195	6	473
Additions	-	1	27	46	74
Transfers	46	1	5	(52)	-
Disposals	(31)	(59)	(39)	-	(129)
As at 31 December 2022	78	152	188	-	418
Accumulated depreciation and impairment losses					
As at 1 January 2021	(170)	(284)	(286)	-	(740)
Depreciation charge for the year	(25)	(69)	(55)	-	(149)
Reversal of impairment losses	-	-	1	-	1
Disposals	163	193	208	-	564
As at 31 December 2021 and 1 January 2022	(32)	(160)	(132)	-	(324)
Depreciation charge for the year	(6)	(30)	(27)	-	(63)
Disposals	20	55	36	-	111
As at 31 December 2022	(18)	(135)	(123)	-	(276)
Net book value					
As at 31 December 2021 and 1 January 2022	31	49	63	6	149
As at 31 December 2022	60	17	65	-	142

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2022 amounted to Baht 744 million (2021: Baht 647 million) in the consolidated statement of financial position and Baht 154 million (2021: Baht 178 million) in the separate statement of financial position.

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11 Leases

As a lessee

<i>Right-of-use assets</i> <i>As at 31 December</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and Buildings	588	704	123	172
Equipment	29	63	23	59
Vehicles	177	190	160	171
Leasehold rights	9	14	-	-
Total	803	971	306	402

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 243 million and Baht 145 million, respectively (2021: Baht 569 million and Baht 270 million, respectively).

The Group has several lease agreements with related parties and other individuals which cover office premises, facilities, equipment and vehicles for a period of 1 to 18 years, expiring in 2023 to 2040 years.

<i>For the year ended 31 December</i>	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land and Buildings	232	259	90	137
- Equipment	60	55	55	53
- Vehicles	88	98	73	83
Interest on lease liabilities	33	55	12	36
Expenses relating to short-term leases	147	129	32	57
Expenses relating to leases of				
low-value assets	9	10	6	3
Variable lease payments based on sales	10	6	-	-
Total lease expense	166	145	38	60
Contingent rent expense	29	34	10	16

In 2022, total cash outflow for leases of the Group and the Company were Baht 567 million and Baht 269 million, respectively (2021: Baht 617 million and Baht 385 million, respectively).

12 Goodwill

<i>Cost/Net book value</i>	<i>(Unit: Million Baht)</i> Consolidated	
	financial statements	
	<u>2022</u>	<u>2021</u>
As at 1 January	608	557
Currency translation differences	(39)	51
At 31 December	569	608

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Impairment testing

Goodwill is allocated to cash-generating units based on segment and countries of operation.

In evaluating and testing of impairment, the Group determined the recoverable amount of each cash-generating unit based on the higher of its value in use by estimating discounted future cash flows and its fair value less cost of disposal for a sale of 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 value in use were as follows:

	<i>(Unit: %)</i>	
	Consolidated financial statements	
	2022	2021
Discount rate	5.6 - 9.5	4.0 - 16.1
Terminal growth rate	2.1 - 3.7	1.5 - 2.1
Revenue growth (average of next five year)	3.2 - 9.6	3.4 - 12.8

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 indices, inflation rates, growth rates of the relevant industries in the countries of the operations and the long-term growth plan as well as the comparable businesses in the same industries.

Future cash flow that the Group expects to receive

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.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount and no impairment was required in the consolidated financial statements.

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13 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements			
	Development costs	Customer relationships	Trademarks and others	Total
<i>Cost</i>				
As at 1 January 2021	54	991	1,184	2,229
Additions	12	-	3	15
Disposals	(36)	-	(3)	(39)
Currency translation differences	1	94	26	121
As at 31 December 2021 and 1 January 2022	31	1,085	1,210	2,326
Transfers	10	-	3	13
Write-off	(1)	-	(6)	(7)
Currency translation differences	(1)	(75)	(16)	(92)
As at 31 December 2022	39	1,010	1,191	2,240
<i>Accumulated amortisation</i>				
As at 1 January 2021	(16)	(397)	(274)	(687)
Amortisation charge for the year	(4)	(107)	(60)	(171)
Disposals	3	-	1	4
Currency translation differences	(1)	(39)	(17)	(57)
As at 31 December 2021 and 1 January 2022	(18)	(543)	(350)	(911)
Amortisation charge for the year	(5)	(104)	(28)	(137)
Write-off	1	-	6	7
Currency translation differences	1	41	17	59
As at 31 December 2022	(21)	(606)	(355)	(982)
<i>Net book value</i>				
As at 31 December 2021 and 1 January 2022	13	542	860	1,415
As at 31 December 2022	18	404	836	1,258

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13 Other intangible assets (continued)

(Unit: Million Baht)

	Separate financial statements		
	Development costs	Trademarks and others	Total
<i>Cost</i>			
As at 1 January 2021	39	29	68
Additions	12	3	15
Disposals	(36)	(3)	(39)
As at 31 December 2021 and 1 January 2022	15	29	44
Write-off	(1)	(4)	(5)
As at 31 December 2022	14	25	39
<i>Accumulated amortisation</i>			
As at 1 January 2021	(4)	(20)	(24)
Amortisation charge for the year	(2)	(2)	(4)
Disposals	3	1	4
As at 31 December 2021 and 1 January 2022	(3)	(21)	(24)
Amortisation charge for the year	(1)	(2)	(3)
Write-off	1	4	5
As at 31 December 2022	(3)	(19)	(22)
<i>Net book value</i>			
As at 31 December 2021 and 1 January 2022	12	8	20
As at 31 December 2022	11	6	17

The gross amount of the Group's and the Company's fully amortised intangible assets that were still in use as at 31 December 2022 amounted to Baht 99 million (2021: Baht 86 million) in the consolidated statement of financial position and Baht 13 million (2021: Baht 14 million) in the separate statement of financial position.

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14 Interest-bearing liabilities

The Group recognises and measures financial liabilities as disclosed in note 25

	Note	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
		2022	2021	2022	2021
Current					
Bank overdrafts, and short-term borrowings from financial institutions		6,915	5,119	-	-
Short-term borrowings from related parties	4	8,840	138	6,199	-
Total		15,755	5,257	6,199	-
Current portion of long-term debts					
Long-term borrowings from financial institution		153	166	-	-
Lease liabilities		308	355	155	207
Total		461	521	155	207
Total current		16,216	5,778	6,354	207
Non-current					
Long-term borrowings from financial institution		479	633	-	-
Lease liabilities		527	646	164	210
Total non-current		1,006	1,279	164	210
Grand Total		17,222	7,057	6,518	417

As at 31 December 2022, the group had secured borrowings totalling Baht 72 million (2021: Baht 3 million) which were pledged by various assets as collateral including trade and other receivables and inventories with net book value of Baht 149 million (2021: Baht 102 million).

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15 Accounts payable - trade and others

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Related parties	4	12,196	8,857	7,888	6,713
Other parties		3,193	2,433	137	336
Total		<u>15,389</u>	<u>11,290</u>	<u>8,025</u>	<u>7,049</u>

16 Provision for employee benefits

The Group has defined benefit plans for employee's retirement based on the labor law requirements of each country.

Movements in the present value of the defined benefit obligations for the year ended 31 December were as follows:

		<i>(Unit: Million Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Defined benefit obligations as at 1 January		754	1,035	504	763
<i>Recognised in profit or loss:</i>					
Current service cost		51	54	35	37
Interest cost		14	32	9	26
		<u>65</u>	<u>86</u>	<u>44</u>	<u>63</u>
<i>Recognised in other comprehensive income:</i>					
Actuarial gains		(49)	(138)	(34)	(110)
Benefits paid by the plans		(22)	(229)	(4)	(212)
Defined benefit obligations as at 31 December		<u>748</u>	<u>754</u>	<u>510</u>	<u>504</u>

Principal actuarial assumptions as at 31 December were as follows:

		<i>(Unit: %)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate		2.64	1.90	2.64	1.90
Future salary increases		3.00 - 6.00	3.00 - 6.00	3.00 - 6.00	3.00 - 6.00

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Assumptions regarding future mortality are based on mortality tables of each country.

As at 31 December 2022, the weighted-average duration of defined benefit obligations was 10 years (2021: 10 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 below.

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Defined benefit obligations as at 31 December 2022				
Discount rate (1% movement)	(63)	79	(43)	54
Future salary change (1% movement)	83	(67)	57	(46)
Defined benefit obligations as at 31 December 2021				
Discount rate (1% movement)	(68)	78	(45)	52
Future salary change (1% movement)	74	(66)	50	(44)

17 Premium and reserve

Deficit from change in shareholders' equity in subsidiaries

Deficit from change in shareholders' equity in subsidiaries represent the changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.

Surplus on common control transactions

Surplus on common control transactions recognised in equity relate to differences between the carrying amount of net assets received and the consideration paid from the transfer of the carrying amounts of assets and liabilities of subsidiaries to the Company.

Other components of equity

(a) Hedging reserve

The hedging reserve 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.

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(b) Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of investments in equity securities measured at fair value through other comprehensive income until the disposal of investments.

(c) Currency translation differences

The currency translation differences recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.

Hedging reserve and fair value changes on investments are presented net of deferred tax.

Appropriations of profit and/or retained earnings

Legal reserve

Legal reserve is set up under the provision of the Civil and Commercial code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account (“legal reserve”) upon each dividend distribution, until the balance reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

As at 31 December 2022, the Company had the legal reserve totalling Baht 80 million (2021: Baht 80 million).

18 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 : Thailand business
- Segment 2 : International business

Details of the reportable segments’ financial information of the Group as at 31 December and for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Thailand business		International business		Total	
	2022	2021	2022	2021	2022	2021
<i>Statements of income</i>						
Revenue from sale of goods	105,023	82,897	51,577	42,106	156,600	125,003
Gross profit	11,024	7,703	5,004	4,309	16,028	12,012
Central expense, net					(8,367)	(8,416)
Finance costs					(232)	(212)
Net foreign exchange gain					64	-
Share of profit of associate and joint venture using equity method					15	8
Income tax expense					(1,458)	(718)
Profit for the year					6,050	2,674

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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 (excluding Thailand)
- Area 3 : Europe
- Area 4 : The Americas
- Area 5 : Others

Details 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:

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements			
	Revenue from external customers		Non-current assets (exclude deferred tax assets)	
	2022	2021	2022	2021
Thailand	105,023	82,897	4,311	3,915
Asia (excluding Thailand)	5,475	4,210	10	26
Europe	38,868	31,651	1,574	1,693
The Americas	7,180	6,201	43	42
Others	54	44	-	-
Total	156,600	125,003	5,938	5,676

In 2022, revenues from external customers of Europe mainly from United Kingdom accounted for Baht 26,699 million (2021: Baht 22,592 million), and non-current assets (exclude deferred tax assets) of Europe mainly from United Kingdom accounted for Baht 1,147 million (2021: Baht 1,338 million).

Information about major customers

Revenues from one customer of the Group's segment 1 and 2 represents approximately Baht 16,828 million (2021: Baht 12,937 million) of the Group's total revenue.

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Disaggregation of revenue

Details of revenue disaggregated by categories of main products for the year ended 31 December were as follows:

<i>Categories of main products</i>	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	<u>2022</u>	<u>2021</u>
Fresh meat	92,991	71,611
Processed foods	49,392	41,672
Restaurant operations	6,744	5,699
Pet snack	2,099	1,614
Other products	5,374	4,407
Total	<u>156,600</u>	<u>125,003</u>

The Group and the Company have timing of revenue recognition only at a point of time.

19 Other income

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Transportation income	600	489	600	489
Others	405	572	58	279
Total	<u>1,005</u>	<u>1,061</u>	<u>658</u>	<u>768</u>

20 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 totaling Baht 248 million and Baht 14 million in the consolidated and separate statements of income for the year ended 31 December 2022 respectively (2021: Baht 286 million and Baht 18 million in the consolidated and separate statements of income respectively).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totaling Baht 3,376 million and Baht 1,623 million in the consolidated and separate statements of income for the year ended 31 December 2022 respectively (2021: Baht 3,811 million and Baht 2,126 million in the consolidated and separate statements of income respectively).

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21 Expenses by nature

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of product	137,013	109,864	86,574	68,763
Transportation expenses	4,229	3,553	3,160	2,744
Management and employee benefit expenses	3,624	4,097	1,637	2,144
Factory and office expenses	1,673	1,696	505	812
Advertising, public relationship and sale promotion expenses	1,598	1,374	440	472
Depreciation and amortisation	954	1,042	285	426
Vehicle and travelling expenses	180	141	75	66
Lease expenses	166	145	38	60
Taxes, government and bank fees	106	142	26	70
Professional fees	72	75	2	2
Insurance fees	55	54	3	5
Others	297	306	158	218
Total cost of sales of goods, distribution costs and administrative expenses	<u>149,967</u>	<u>122,489</u>	<u>92,903</u>	<u>75,782</u>

22 Income tax

Income tax recognised in profit or loss

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>Current tax</i>				
Current year	1,475	691	988	227
Over provided in prior years	(4)	(7)	-	(4)
	<u>1,471</u>	<u>684</u>	<u>988</u>	<u>223</u>
<i>Deferred tax expense</i>				
Movements in temporary differences	(30)	1	(22)	31
Movements in tax losses	17	33	-	-
	<u>(13)</u>	<u>34</u>	<u>(22)</u>	<u>31</u>
Tax expense	<u>1,458</u>	<u>718</u>	<u>966</u>	<u>254</u>

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Income tax recognised in other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements					
	2022			2021		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax expense	Net of tax
Cash flow hedges reserve	(81)	16	(65)	301	(58)	243
Defined benefit plan actuarial gain	49	(9)	40	138	(27)	111
Investment in equity securities	218	(44)	174	(52)	-	(52)
Currency translation differences	(238)	-	(238)	431	-	431
Total	(52)	(37)	(89)	818	(85)	733

(Unit: Million Baht)

	Separate financial statements					
	2022			2021		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Defined benefit plan actuarial gain	34	(7)	27	110	(22)	88
Investment in equity securities	218	(44)	174	-	-	-
Total	252	(51)	201	110	(22)	88

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Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Consolidated financial statements			
	<u>19%</u>	<u>20%</u>	<u>Others</u>	<u>Total</u>
2022				
Net profit before income tax	<u>883</u>	<u>5,916</u>	<u>708</u>	<u>7,507</u>
Tax at the applicable tax rates	<u>168</u>	<u>1,183</u>	<u>149</u>	<u>1,500</u>
Tax effect of income and expense that are not taxable income or not deductible for tax purpose:				
- Tax effect of income that are not subject to tax	(59)	-	(2)	(61)
- Tax effect of expenses that are not deductible for tax purpose	45	2	3	50
- Tax incentives	-	(18)	-	(18)
- Others	12	(15)	(1)	(4)
Tax effect on current year losses for which no deferred tax assets recognised	-	(5)	-	(5)
Income tax expense (over)/under provided in prior years	<u>(8)</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Net	<u>158</u>	<u>1,147</u>	<u>153</u>	<u>1,458</u>

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Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Consolidated financial statements			
	<u>19%</u>	<u>20%</u>	<u>Others</u>	<u>Total</u>
2021				
Net profit before income tax	<u>1,187</u>	<u>1,891</u>	<u>314</u>	<u>3,392</u>
Tax at the applicable tax rates	<u>226</u>	<u>378</u>	<u>154</u>	<u>758</u>
Tax effect of income and expense that are not taxable income or not deductible for tax purpose:				
- Tax effect of income that are not subject to tax	(76)	-	(1)	(77)
- Tax effect of expenses that are not deductible for tax purpose	1	9	-	10
- Tax incentives	-	(12)	-	(12)
- Others	14	33	(1)	46
Income tax expense over provided in prior years	<u>(3)</u>	<u>(4)</u>	<u>-</u>	<u>(7)</u>
Net	<u>162</u>	<u>404</u>	<u>152</u>	<u>718</u>

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Reconciliation of effective tax rate (continued)

	<i>(Unit: Million Baht)</i>	
	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Applicable tax rates 20%		
Net profit before income tax	<u>4,975</u>	<u>1,180</u>
Tax at the applicable tax rates	995	236
Tax effect of income and expense that are not taxable income or not deductible for tax purpose:		
- Tax incentives	(13)	(6)
- Others	(16)	28
Income tax expense over provided in prior years	-	(4)
Total	<u>966</u>	<u>254</u>

Deferred income tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets	70	134	11	40
Deferred tax liabilities	<u>(205)</u>	<u>(253)</u>	-	-
Net deferred tax assets (liabilities)	<u>(135)</u>	<u>(119)</u>	<u>11</u>	<u>40</u>

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Movements of deferred tax assets and liabilities during the year 2022 were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 1 January 2022	Charged/ (Credited) to		As at 31 December 2022
		Profit or loss	Other comprehensive income	Currency translation differences
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	11	(1)	-	-
Inventories	4	1	-	-
Investment in equity securities	-	-	(44)	-
Property, plant and equipment	11	(6)	-	-
Right-of-use assets	(194)	32	-	1
Other intangible assets	(206)	18	-	7
Derivatives	(7)	-	16	2
Lease liabilities	204	(33)	-	(1)
Provision for employee benefits	35	24	(9)	-
Tax losses	17	(17)	-	-
Others	6	(5)	-	(1)
Total	(119)	13	(37)	8

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Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 1 January 2021	Charged/ (Credited) to		As at 31 December 2021
		Profit or loss	Other comprehensive income	Currency translation differences
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	11	-	-	-
Inventories	4	-	-	-
Property, plant and equipment	20	(9)	-	-
Right-of-use assets	(337)	145	-	(2)
Other intangible assets	(218)	24	-	(12)
Derivatives	48	-	(58)	3
Lease liabilities	349	(147)	-	2
Provision for employee benefits	82	(20)	(27)	-
Tax losses	48	(33)	-	2
Others	-	6	-	-
Total	7	(34)	(85)	(7)

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Movements of deferred tax assets and liabilities during the year 2022 were as follows:

(Unit: Million Baht)

	Separate financial statements			As at 31 December 2022
	As at 1 January 2022	Charged/ (Credited) to:		
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	11	(1)	-	10
Investment in equity securities	-	-	(44)	(44)
Plant and equipment	2	2	-	4
Right-of-use assets	(80)	19	-	(61)
Lease liabilities	83	(19)	-	64
Provision for employee benefits	24	21	(7)	38
Total	40	22	(51)	11

Movements of deferred tax assets and liabilities during the year 2021 were as follows:

(Unit: Million Baht)

	Separate financial statements			As at 31 December 2021
	As at 1 January 2021	Charged/ (Credited) to:		
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Accounts receivable	10	1	-	11
Plant and equipment	6	(4)	-	2
Right-of-use assets	(241)	161	-	(80)
Lease liabilities	247	(164)	-	83
Provision for employee benefits	71	(25)	(22)	24
Total	93	(31)	(22)	40

As at 31 December 2022, the Group had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the statement of financial position totaling Baht 573 million (2021: Baht 972 million) because it is not probable that tax benefit will be utilised in the foreseeable future.

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23 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2022 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	<i>(Unit: Million Baht/Million Share)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Profit for the year attributable to ordinary shareholders of the Company	4,009	926	4,009	926
Number of ordinary shares outstanding at the end of period	80	80	80	80
Basic earnings per share (in Baht)	50.11	11.57	50.11	11.57

Diluted earnings per share is equivalent to basic earnings per share because no adjustment to profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

24 Dividends

Details of dividends for the years ended 31 December were as follows:

Approval date to pay dividends	Rate per share (Baht)	Number of entitled shares (in million shares)	Total (in million Baht)	Source
2022				
8 June 2022	6.25	80	500	Taxable profits which were subject to 20% corporate income tax
24 August 2022	25.00	80	2,000	Taxable profits which were subject to 20% corporate income tax
23 November 2022	15.00	80	1,200	Taxable profits which were subject to 20% corporate income tax
Total			3,700	
2021				
16 August 2021	2.50	80	200	Taxable profits which were subject to 20% corporate income tax
Total			200	

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25 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 but 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							
	Carrying amount				Fair value			
	Hedging instruments	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2022								
Financial assets								
Investment in equity securities								
- non-marketable equity securities	-	921	-	921	-	-	921	921
Long-term loans to related parties	-	-	285	285	-	-	277	277
Derivative assets	2	-	-	2	-	2	-	2
Financial liabilities								
Long-term borrowings from financial institutions	-	-	632	632	-	612	-	612
Derivatives liabilities	58	-	-	58	-	58	-	58
As at 31 December 2021								
Financial assets								
Investment in equity securities								
- non-marketable equity securities	-	494	-	494	-	-	494	494
Long-term loans to related parties	-	-	247	247	-	-	253	253
Derivative assets	35	-	-	35	-	35	-	35
Financial liabilities								
Long-term borrowings from financial institutions	-	-	799	799	-	786	-	786
Derivatives liabilities	3	-	-	3	-	3	-	3

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(Unit: Million Baht)

	Carrying amount		Separate financial statements			
	Financial instruments measured at FVOCI	Total	Fair value			
			Level 1	Level 2	Level 3	Total
<i>As at 31 December 2022</i>						
<i>Financial asset</i>						
Investment in equity securities						
- non-marketable equity securities	921	921	-	-	921	921
<i>As at 31 December 2021</i>						
<i>Financial asset</i>						
Investment in equity securities						
- non-marketable equity securities	494	494	-	-	494	494

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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.
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	Discounted cash flows	Discount rate (2022: 12% and 2021: 11%).	The estimate fair value would increase (decrease) if the discount rate were lower (higher).

Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>
Loans/ borrowings	Discounted cash flows

Reconciliation of Level 3 fair values

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>Investments in non-marketable equity securities</i>				
As at 1 January	494	73	494	-
Purchase/addition investment	209	494	209	494
Disposals	-	(36)	-	-
Change in fair value	218	(52)	218	-
Currency translation differences	-	15	-	-
As at 31 December	<u>921</u>	<u>494</u>	<u>921</u>	<u>494</u>

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(b) 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.

(b.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.

(b.1.1) Accounts receivable - 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 18.

Information about the exposure to credit risk and ECLs for accounts receivables trade and others as at 31 December were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2022	2021	2022	2021
Within credit terms	14,740	11,793	8,864	6,868
Overdue 1 - 60 days	1,367	1,554	522	903
Overdue 60 - 120 days	161	99	65	80
More than 120 days	181	263	114	186
Total	16,449	13,709	9,565	8,037
<i>Less</i> allowance for expected credit loss	(161)	(132)	(50)	(56)
Net	16,288	13,577	9,515	7,981
<i>Allowance for expected credit loss</i>				
At 1 January	132	147	56	54
Addition (reversal)	90	(3)	10	14
Write-off	(61)	(12)	(16)	(12)
As at 31 December	161	132	50	56

The normal credit term granted by the Group ranges from 7 days to 150 days.

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(b.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.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

(Unit: Million Baht)

	Consolidated financial statements				
	Carrying amount	Contractual cash flows			Total
Within 1 year		After 1 year but within 5 years	After 5 years		
2022					
<i>Non-derivative financial liabilities</i>					
Bank overdrafts and short-term borrowings	15,755	16,403	-	-	16,403
Long-term borrowings	632	180	526	-	706
Lease liabilities	835	338	471	107	916
Total	17,222	16,921	997	107	18,025
<i>Derivative financial liability</i>					
Forward exchange contracts	58				
- Cash outflow		3,194	-	-	3,194
- Cash inflow		(3,320)	-	-	(3,320)
	58	(126)	-	-	(126)
2021					
<i>Non-derivative financial liabilities</i>					
Bank overdrafts and short-term borrowings	5,257	5,351	-	-	5,351
Long-term borrowings	799	185	671	-	856
Lease liabilities	1,001	389	542	170	1,101
Total	7,057	5,925	1,213	170	7,308
<i>Derivative financial liability</i>					
Forward exchange contracts	3				
- Cash outflow		2,406	-	-	2,406
- Cash inflow		(2,395)	-	-	(2,395)
	3	11	-	-	11

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(Unit: Million Baht)

	Separate financial statements				
	Carrying amount	Contractual cash flows			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2022					
Non-derivative financial liabilities					
Short-term borrowings	6,199	6,436	-	-	6,436
Lease liabilities	319	164	161	11	336
Total	6,518	6,600	161	11	6,772
2021					
Non-derivative financial liability					
Lease liabilities	417	223	194	37	454
Total	417	223	194	37	454

Effective interest rate of borrowing from financial institutions and lease liabilities were as follows:

	(Unit: %)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Borrowings	3.98	1.98	3.82	-
Lease liabilities	3.53	3.46	2.63	3.82

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates, 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.

(b.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.

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As at 31 December 2022 and 2021, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

(Unit: Million Baht)

	Consolidated financial statements				
	Swedish Krona	United States Dollar	Euro	Pound Sterling	Zloty
<i>As at 31 December 2022</i>					
Cash and cash equivalents	44	1,665	318	6	1
Accounts receivable - trade and others	130	162	577	22	-
Overdraft	-	(1)	-	-	(102)
Accounts payable - trade and others	(3)	(320)	(334)	(16)	-
Short-term borrowings from financial institutions	-	(355)	(38)	-	-
Forecast purchases	-	(103)	(78)	-	-
Net forecast transaction exposure	171	1,048	445	12	(101)
Forward exchange purchase contracts	-	103	78	-	-
Net exposure	171	1,151	523	12	(101)

(Unit: Million Baht)

	Consolidated financial statements					
	Swedish Krona	United States Dollar	Euro	Singapore Dollar	Pound Sterling	Zloty
<i>As at 31 December 2021</i>						
Cash and cash equivalents	20	1,343	67	62	8	30
Accounts receivable - trade and others	92	175	378	-	-	-
Overdraft	-	-	(65)	-	-	-
Accounts payable - trade and others	(2)	(328)	(176)	-	-	-
Short-term borrowings from financial institutions	-	(282)	(27)	-	-	-
Forecast purchases	-	(4,707)	(354)	-	-	(1,190)
Net forecast transaction exposure	110	(3,799)	(177)	62	8	(1,160)
Forward exchange purchase contracts	-	4,707	429	-	-	1,190
Net exposure	110	908	252	62	8	30

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the U.S. dollar against Thai Baht as at 31 December 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.

(Unit: Million Baht)

	Movement (%)	Consolidated financial statements			
		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
2022					
U.S. Dollar	1	5	(5)	-	-
2021					
U.S. Dollar	1	5	(5)	-	-

(b.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.

Interest rate risk for financial assets and financial liabilities of the Group as at 31 December were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Financial instruments with fixed interest rates				
Loans	-	549	-	500
Borrowings	(11,521)	(2,726)	(6,199)	-
Lease liabilities	(795)	(965)	(319)	(417)
Net statement of financial position exposure	(12,316)	(3,142)	(6,518)	83
Financial instruments with variable interest rates				
Loans	327	257	-	-
Borrowings	(4,866)	(3,330)	-	-
Lease liabilities	(40)	(36)	-	-
Net statement of financial position exposure	(4,579)	(3,109)	-	-

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Cash flow sensitivity analysis for variable-rate financial instruments

A reasonable possible change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Unit: Million Baht)

	Consolidated financial statements			
	Profit or loss		Equity, net of tax	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
2022				
Financial instruments with variable interest rate	(46)	46	-	-
Cash flow sensitivity (net)	(46)	46	-	-
2021				
Financial instruments with variable interest rate	(26)	26	-	-
Cash flow sensitivity (net)	(26)	26	-	-

(b.4) Cash flow hedges

As at 31 December, the Group and the Company held the following financial instruments to hedge exposures to changes in foreign currency.

	Consolidated financial statements		
	Maturity		
	Within 6 months	More than 6 months but within 1 year	More than 1 year
Foreign currency risk as at 31 December 2022			
<i>Forward exchange contracts</i>			
Net exposure (Million Baht)	3,048	69	-
Average forward exchange contracts rate of:			
- THB:GBP	0.02	-	-
- USD:GBP	1.19	1.17	-
- PLN:GBP	5.59	-	-
Foreign currency risk as at 31 December 2021			
<i>Forward exchange contracts</i>			
Net exposure (Million Baht)	2,647	753	-
Average forward exchange contracts rate of:			
- USD:THB	30.04	-	-
- THB:GBP	0.03	-	-
- USD:GBP	1.29	1.33	-
- PLN:GBP	4.99	4.96	-

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The amounts at reporting date relating to items designated as hedging instruments were as follows:

	<i>(Unit: Million Baht)</i>		
	Consolidated financial statements		
<i>Foreign currency risk as at 31 December</i>	Change in value used for calculating hedge ineffectiveness	Cash flow hedges reserve	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
2022			
Purchase and trade accounts payable	-	(25)	-
2021			
Purchase and trade accounts payable	-	40	-

The amounts relating to items designated as hedging instruments were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2022	2021
Foreign currency risk as at 31 December		
Forward exchange contracts - nominal amount	3,117	3,400
Carrying amount included in:		
- derivatives assets	2	35
- derivatives liabilities	58	3
Foreign currency risk for the year ended 31 December		
<i>Recognised in other comprehensive income</i>		
- changes in value of the hedging instrument	99	(118)
- hedging reserve transferred to profit or loss	(164)	361
<i>Recognised in profit or loss</i>		
- reclassified from hedging reserve and included in foreign exchange loss	164	(361)

The following table provides a reconciliation of other components of equity and analysis of other comprehensive income items resulting from cash flow hedge accounting.

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2022	2021
Balance as at 1 January	40	(203)
Changes in fair value:		
- Accounts payable - trade and others	99	(118)
Amount reclassified to profit or loss:		
- Accounts payable - trade and others	(164)	361
Balance as at 31 December	(25)	40

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26 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.

27 Commitments with non-related parties

As at 31 December, the Group had commitments with non-related parties as follows:

27.1 Capital commitments

	<i>(Unit: Million Baht)</i>			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
<i>Contracted but not provided for</i>				
Land, buildings and constructions	-	15	-	-
Machinery, equipment and others	64	7	-	-
Total	64	22	-	-

27.2 Letters of credit

Certain subsidiaries had commitments under the issued letters of credit totaling Baht 47 million (2021: Baht 133 million).

27.3 Letters of guarantee

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 totaling Baht 13 million and Baht 22 million, respectively (2021: the Company and certain subsidiaries had commitments of Baht 22 million and Baht 20 million, respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.

28 Events after the reporting period

On 1 February 2023, CPF Food Network Co., Ltd. (“CPFNW”), a new incorporated subsidiary of the Company signed Sale and Purchase Agreements to receive the transfer of the carve-out export trading businesses except Australia from CPM with consideration transferred amounting to Baht 419 million and net assets received amounting to Baht 345 million. The transfer of the carve-out export trading businesses to CPFNW was completed on 1 February 2023.

On 27 February 2023, the Company’s Board of Directors approve to set up a new subsidiary incorporated in Australia, CPF Australia Pty. Ltd, to receive the transfer of the export trading business in Australia from CPM which is expected to be completed in the second quarter of 2023.