

**Charoen Pokphand Foods Public Company Limited  
and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the executive directors on 20 February 2020.

## **1 General information**

Charoen Pokphand Foods Public Company Limited, the “Company”, is incorporated in Thailand on 17 January 1978 and has its registered head office at 313 C.P. Tower, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 21 December 1987.

The principal activities of the Company and its subsidiaries (together referred to the “Group”) are operating in agro-industrial and integrated food businesses. The Group’s business operations are located throughout Thailand and overseas. The businesses are divided into 2 main segments as follows:

- 1) The livestock business comprises chicken, duck and pigs
- 2) The aquaculture business comprises shrimp and fish

The Group’s two main businesses are vertically integrated, starting from sourcing of raw materials for animal feed production, manufacturing animal feed, breeding animals, farming animals for commercial purposes, processing meat, producing ready-to-eat food products, and including operating food retail outlets and restaurants. The Group’s main products are divided into 3 main categories as follows:

- 1) Animal feed
- 2) Animal farm products such as animal breeder, live animal and meat, etc.
- 3) Processed foods and ready meals

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 (%)	
			2019	2018
<b><i>Thailand operations and businesses related to operations in Thailand</i></b>				
<b><i>Livestock business</i></b>				
<b><i>Direct subsidiaries</i></b>				
1) Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution	Thailand	99.44	99.44
2) Chester’s Food Co., Ltd.	Restaurant	Thailand	99.99	99.99
3) CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.99	99.98
4) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
<b><i>Indirect subsidiaries</i></b>				
1) CP Hilai Harbour Co., Ltd.	Restaurant	Thailand	50.99	50.99
2) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.99	99.97
3) CPF Food and Beverage Co., Ltd.	Production and sale of ready meals	Thailand	99.99	99.98

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			2019	2018
4) CPF Restaurant and Food Chain Co., Ltd.	Five stars business and restaurants	Thailand	99.99	99.98
4.1) Berice LLC	Investment in restaurant	United States of America	99.99	-
5) International Pet Food Co., Ltd.	Production and sale of pet food	Thailand	99.99	99.98
6) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	52.00	52.00
7) CPF Europe S.A.	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
7.1) CP Chozen Limited	Investment	United Kingdom	79.99	79.99
7.1.1) Chozen Holdings Limited	Restaurant	United Kingdom	79.99	79.99
7.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	79.99	79.99
7.2) Tops Foods NV	Production and distributor of ready meals	Belgium	84.07	84.07
7.3) Paulsen Food GmbH	Distributor of meat products and investment	Germany	99.99	94.99
8) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	China	100.00	100.00
9) CP Foods (UK) Limited and subsidiaries	Importer and distributor of processed meat and ready meals	United Kingdom	99.99	99.99
10) Westbridge Food Group Limited	Investment	United Kingdom	100.00	100.00
10.1) Westbridge Foods Limited	Importer and distributor of meat and ready meals	United Kingdom	100.00	100.00
10.1.1) Westbridge Foods (Thailand) Limited	Provision and development for Asian food product	Thailand	99.99	99.99
10.2) Westbridge (Qingdao) Trading Co., Ltd.	Provision and development for Asian food product	China	100.00	100.00
10.3) Wignall Holdings Limited <sup>(2)</sup>	Investment	United Kingdom	100.00	100.00
10.3.1) Westbridge Foods (Haydock) Limited	Distribution of meat products	United Kingdom	100.00	100.00
10.4) Westbridge Holding B.V.	Investment	Netherlands	100.00	100.00
10.5) Westbridge Foods (France) SARL	Distribution of meat products	France	100.00	100.00
10.6) Food Trac Limited	Distribution of meat products	United Kingdom	100.00	100.00
10.7) Westbridge Group License Companies	Importer of poultry meat products	United Kingdom	100.00	100.00
<b>Aquaculture business</b>				
<b>Direct subsidiary</b>				
1) Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd.	Shrimp farming	China	100.00	100.00
<b>Indirect subsidiary</b>				
1) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00

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			2019	2018
<b>Other businesses</b>				
<b>Direct subsidiaries</b>				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	99.99
<b>Overseas operations</b>				
<b>Direct subsidiaries</b>				
1) Bellisio Investment, LLC	Investment	United States of America	100.00	100.00
1.1) Bellisio Parent, LLC <sup>(2)</sup>	Investment	United States of America	100.00	100.00
1.1.1) Arden International, LLC <sup>(2)</sup>	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.2) Bellisio Foods, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.3) Bellisio Foods Canada Corp.	Production and distributor of ready meals	Canada	100.00	100.00
1.1.4) FSI Parent Corp.	Investment	United States of America	100.00	100.00
1.1.4.1 Frozen Specialties, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.5) Overhill Farms, Inc.	Production and distributor of ready meals	United States of America	100.00	100.00
1.1.6) The All American Gourmet Company <sup>(2)</sup>	Production and distributor of ready meals	United States of America	100.00	100.00
2) Charoen Pokphand Foods Kenya Co., Ltd. <sup>(2)</sup>	Animal feedmill and livestock farming	Kenya	99.99	99.99
3) CPF Investment Limited	Investment	British Virgin Islands	100.00	100.00
3.1) Giant Crown Investments Limited	Investment	British Virgin Islands	100.00	100.00
3.2) CPF Hong Kong Co., Ltd.	Importer and distributor of eggs, processed meat, milk product and ready meals	Hong Kong	100.00	100.00
4) CPF Poland S.A.	Agro-industrial products and food	Poland	66.67	66.67
4.1) PetRepublic Ltd.	Production and sale of pet food	Poland	66.67	-
5) C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	China	100.00	100.00
6) C.P. Aquaculture (Hainan) Co., Ltd. <sup>(2)</sup>	Aquaculture farming and hatchery business	China	100.00	100.00
7) C.P. Aquaculture (Zhanjiang) Co., Ltd.	Shrimp hatchery business	China	100.00	100.00
8) C.P. Foods Holdings Limited	Investment	British Virgin Islands	100.00	100.00
9) C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
10) CPF Netherlands B.V.	Investment	Netherlands	99.99	99.99
10.1) CPF Canada Holdings Corp.	Investment in integrated swine business	Canada	100.00	-
10.2) Russia Baltic Pork Invest ASA	Investment	Norway	75.82	75.82

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			2019	2018
10.2.1) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	75.82
10.2.2) Finagro ASP	Financial service	Denmark	75.82	75.82
10.2.3) Kornevo Limited Liability Company	Livestock farming	Russia	75.82	75.82
10.2.4) Management Company RBPI Group Limited Liability Company	Property lease-out	Russia	75.82	75.82
10.2.5) NNPP Limited Liability Company	Livestock farming	Russia	75.82	75.82
10.2.6) NNPP-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
10.2.7) Pravdinsk Pig Production Closed Joint Stock Company	Livestock farming	Russia	75.82	75.82
10.2.8) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	75.82
10.2.9) RBPI Partner West LLC	Slaughterhouse	Russia	75.82	-
10.2.10) Rechnoe Limited Liability Company	Biological waste management services provider	Russia	75.82	75.82
10.3) Stesha LLC	Investment	Russia	99.99	99.99
10.3.1) JSC Poultry Parent Stock Production Woyskovitsy (Formerly known as CJSC Poultry Parent Stock Production Woyskovitsy)	Livestock farming and breeding	Russia	99.99	99.99
10.3.2) JSC Poultry Production Severnaya (Formerly known as CJSC Poultry Production Severnaya)	Animal feedmill, livestock farming and food processing plant	Russia	99.99	99.99
11) Homegrown Shrimp (USA) LLC	Shrimp farming	United States of America	100.00	-
<b>Direct and indirect subsidiaries</b>				
1) Charoen Pokphand Foods Philippines Corporation	Production and sale of animal feed, farming and shrimp hatchery business	Philippines	99.99	99.99
1.1) A.P.P. Enterprise, Inc. <sup>(1)</sup>	Property lease-out	Philippines	39.60	39.60
2) Charoen Pokphand Foods (Overseas) LLC	Animal feedmill and livestock farming	Russia	99.99	99.99
2.1) CPF Agro LLC	Livestock farming	Russia	99.99	99.99
2.2) CPF Foods LLC	Livestock farming	Russia	99.99	99.99
2.3) CPF Ryazan LLC	Livestock farming	Russia	99.99	99.99

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			2019	2018
2.4) CPF Serebryanie Prudy LLC	Livestock farming	Russia	99.99	99.99
2.5) CPF Trading LLC <sup>(3)</sup>	Importer and distributor of meat products	Russia	-	99.99
2.6) CPF Construction LLC (Formerly known as CPF Zaraysk LLC)	Provision of consulting service on construction	Russia	99.99	99.99
3) Chia Tai Enterprises International Limited	Investment	Bermuda	50.43	50.43
3.1) C.P. Enterprises Limited	Investment	Hong Kong	50.43	50.43
3.2) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong	50.43	50.43
3.3) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong	50.43	50.43
3.4) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.5) Golden Industrial Investment Limited	Investment	Hong Kong	50.43	50.43
3.6) Henan Chia Tai Biochemistry Trading Co., Ltd. <sup>(1)</sup>	Trading of animal drugs	China	35.17	35.17
3.7) Pucheng Chia Tai Biochemistry Co., Ltd. <sup>(1)</sup>	Production and sale of chlortetracycline	China	35.17	35.17
3.8) Shanghai C.P. Industrial Trading Co., Ltd. <sup>(2)</sup>	Sale of machine and spare part	China	50.43	50.43
3.9) Zhumadian Huazhong Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of chlortetracycline	China	35.17	35.17
4) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	100.00	100.00
5) C.P. Pokphand Co., Ltd.	Investment in agro-industrial and food	Bermuda	52.24	50.43
5.1) AHM Lifestyles - Creative Hospitality Co., Ltd. <sup>(1)</sup>	Restaurant	Vietnam	46.32	-
5.2) Beijing CP Consultation Services Co., Ltd.	Provision of consulting service on economic and trade	China	52.24	50.43
5.3) CP Food Enterprise (Qinhuangdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.4) C.P. Aquaculture (Beihai) Co., Ltd. <sup>(4)</sup>	Production and sale of animal feed	China	52.24	100.00
5.5) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.6) C.P. Food Enterprises (Ningbo) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.7) C.P. Food (Hengshui) Co., Ltd.	Production and sale of processed food	China	52.24	50.43
5.8) C.P. Food (Kaifeng) Co., Ltd.	Production and sale of processed food	China	52.24	50.43
5.9) C.P. Food (Nantong) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.10) C.P. Food (Xiangyang) Co., Ltd.	Production and sale of processed food	China	52.24	50.43
5.11) C.P. Food (Xuzhou) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.12) C.P. Food (Zhanjiang) Co., Ltd.	Production and sale of processed food	China	52.24	50.43
5.13) C.P. Premix (Guanghan) Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	47.54	45.89
5.14) C.P. Premix (Hangzhou) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.15) C.P. Premix (Liuzhou) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43

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			2019	2018
5.16) C.P. Premix (Nantong) Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.17) C.P. Premix (Shenyang) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.18) C.P. Premix (Tianjin) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.19) C.P. Standard Resources Limited	Investment	Hong Kong	52.24	50.43
5.20) C.P. Vietnam Corporation	Production and sale of animal feed, farming and processed food	Vietnam	66.18	64.89
5.21) C.T. Progressive (H.K.) Limited	Investment	Bermuda	52.24	50.43
5.22) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.23) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	52.24	50.43
5.24) Chengdu Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	36.57	35.30
5.25) Chia Tai Akesu Feed Co., Ltd.	Production and sale of animal feed	China	52.24	-
5.26) Chia Tai Aquaculture (Nantong) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.27) Chia Tai (Beijing) Investment Management Co., Ltd.	Rendering management and advisory service	China	52.24	50.43
5.28) Chia Tai Investment Co., Ltd. (Formerly known as Chia Tai (China) Investment Co., Ltd.)	Investment and trading	China	52.24	50.43
5.29) Chia Tai Feed (Chongyang) Co., Ltd.	Production and sale of animal feed	China	52.24	-
5.30) Chia Tai Feed Dongying Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.31) Chia Tai Feed (Harbin) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.32) Chia Tai Feed (Hefei) Co., Ltd. <sup>(3)</sup>	Production and sale of animal feed	China	-	50.43
5.33) Chia Tai Feed (Helin) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.34) Chia Tai Feed (Hengshui) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.35) Chia Tai Feed (Hengyang) Co., Ltd.	Production and sale of animal feed	China	52.24	-
5.36) Chia Tai Feed (Qianjiang) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.37) Chia Tai Feed (Suixi) Co., Ltd.	Production and sale of animal feed	China	52.24	-
5.38) Chia Tai Feed (Sui zhou) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.39) Chia Tai Feed (Yiwu) Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	28.73	27.74
5.40) Chia Tai Feed (Yushu) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.41) Chia Tai Feed (Zhanjiang) Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.42) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.43) Chia Tai Food (Suqian) Co., Ltd.	Poultry farming, production and sale of chicken meat products	China	52.24	50.43
5.44) Chia Tai (Hainan) Agro-Industry Co., Ltd. <sup>(2)</sup>	Production and sale of animal feed	China	52.24	50.43
5.45) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.46) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.47) Chongqing Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.48) Chongqing Shuangqiao Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	36.57	35.30
5.49) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.50) CP Aqua Company Limited	Investment in aquaculture business	Hong Kong	52.24	-

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5.51) CP China Investment Limited	Investment	Cayman Islands	52.24	50.43
5.52) CP Food Investment Limited	Investment	Hong Kong	52.24	50.43
5.53) CP Group (Inner Mongolia) Nutrition Technology Flocks and Herds Service Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.54) CPV Food Co., Ltd.	Livestock farming, production and sale of animal feed and processed food	Vietnam	66.18	64.89
5.55) Dali Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.56) Fujian Chia Tai Food Co., Ltd. <sup>(1)</sup>	Sale of processed poultry meat	China	36.57	35.30
5.57) Fujian Hetai Agro-Industry Co., Ltd. <sup>(1)</sup>	Farming and sale of poultry	China	36.57	35.30
5.58) Fujian Longzeji Feed Co., Ltd. <sup>(2)</sup>	Production and sale of animal feed	China	36.57	35.30
5.59) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.60) Gansu Chia Tai Agriculture Financing Guarantee Co., Ltd. <sup>(3)</sup>	Providing financial guarantee services	China	-	50.43
5.61) Ganzhou Chia Tai Industrial Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	41.79	40.34
5.62) Guang An Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.36	30.26
5.63) Guangdong Chia Tai Biotechnology Co., Ltd.	Production and sale of probiotics	China	52.24	50.43
5.64) Guangxi Chia Tai Financing Guarantee Co., Ltd. <sup>(3)</sup>	Providing financial guarantee services	China	-	50.43
5.65) Guilin Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	44.41	42.86
5.66) Guiyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.67) Hainan Chia Tai Animal Husbandry Co., Ltd.	Property lease-out for use in production and sale of animal feed	China	52.24	-
5.68) Hannick Limited	Property investment	Hong Kong	52.24	50.43
5.69) Hebei Chia Tai Agriculture Financing Guarantee Co., Ltd. <sup>(3)</sup>	Providing financial guarantee services	China	-	50.43
5.70) Hefei Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.71) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	China	52.24	50.43
5.72) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.73) Hubei Chia Tai Co., Ltd.	Production and sale of animal feed, breeding and processed meat	China	52.24	50.43
5.74) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.75) Inner Mongolia Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	47.22	45.58
5.76) Jiangsu Chia Tai Agriculture Financing Guarantee Co., Ltd. (Formerly known as Jiangsu Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.)	Providing financial guarantee services	China	52.24	50.43
5.77) Jiangsu Huai Yin Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	45.97	44.38
5.78) Jiangxi Chia Tai Agriculture Financing Guarantee Co., Ltd. <sup>(3)</sup>	Providing financial guarantee services	China	-	50.43
5.79) Jilin Chia Tai Enterprise Co., Ltd.	Production and sale of animal feed	China	52.24	50.43



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			2019	2018
5.80) Jilin Chia Tai Food Co., Ltd.	Production and sale of processed food and ready meals	China	52.24	50.43
5.81) Jilin Deda Feed Co., Ltd.	Production and sale of animal feed	China	52.24	-
5.82) Jinan Chia Tai Co., Ltd. <sup>(2)</sup>	Production and sale of animal feed	China	33.96	32.78
5.83) Jiujiang Chia Tai Feedstuff Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.84) Kaifeng Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.85) Kunming Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	48.26	46.59
5.86) Lanzhou Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	47.34	45.70
5.87) Longyan Baotai Agro-Industry Co., Ltd. <sup>(1)</sup>	Farming and sale of poultry	China	36.57	35.30
5.88) Longyan Chia Tai Co., Ltd. <sup>(1)</sup>	Production of processed poultry meat	China	36.57	35.30
5.89) Mianyang Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	41.79	40.34
5.90) Modern State Investments Limited	Investment	British Virgin Islands	52.24	50.43
5.91) Nanchang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.92) Nanning C.P. Food Co., Ltd <sup>(3)</sup>	Production and sale of processed food	China	-	50.43
5.93) Nanning Chia Tai Animal Husbandry Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	47.88	46.21
5.94) Nantong Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.95) Nantong Chia Tai Feedmill Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.96) Nanyang Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	47.54	45.89
5.97) Neijiang Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	36.57	35.30
5.98) Ningbo Chia Tai Agriculture Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	44.41	42.86
5.99) Pingdingshan Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	36.57	35.30
5.100) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.101) Shaanxi Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	50.15	48.41
5.102) Shanghai Han Tong International Trading Co., Ltd. <sup>(3)</sup>	Sale of processed poultry meat	China	-	35.30
5.103) Shanxi Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.29	30.21
5.104) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.105) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.106) Shuangliu Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	36.57	35.30
5.107) Tai Zhou Chia Tai Feed Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	50.15	48.41
5.108) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.109) Urumqi Chia Tai Animal Husbandry Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	48.81	47.11
5.110) Weinan Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.111) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.112) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.113) Wuxuan Chia Tai Animal Husbandry Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	44.41	42.86

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
5.114) Xiamen Chia Tai Agriculture Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.115) Xiamen Sumpo Food Trading Co., Ltd. <sup>(1)</sup>	Sale of processed poultry meat	China	36.57	35.30
5.116) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.117) Xuzhou Chia Tai Feed Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	33.96	32.78
5.118) Yichang Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.119) Yinchuan Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	44.41	42.86
5.120) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.121) Zhangjiakou Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.35	30.26
5.122) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	China	52.24	50.43
5.123) Zhumadian Chia Tai Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	31.87	30.76
6) CPF Tanzania Limited <sup>(2)</sup>	Animal feedmill and livestock farming	Tanzania	99.99	99.99
<b>Indirect subsidiaries</b>				
1) Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2) C.P. Cambodia Co., Ltd.	Production and sale of animal feed, livestock farming and processed food	Cambodia	100.00	100.00
2.1) Cambodia Property and Trading Co., Ltd. <sup>(1)</sup>	Property lease-out	Cambodia	49.00	49.00
3) C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
4) Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
5) Charoen Pokphand (USA), Inc. <sup>(2)</sup>	Broiler chicken integration	United States of America	99.97	99.97
6) Charoen Pokphand Enterprise (Taiwan) Co., Ltd. <sup>(1)</sup>	Chicken integration and livestock farming	Taiwan	39.00	39.00
6.1) Arbor Acres (Taiwan) Co., Ltd. <sup>(1)</sup>	Livestock farming	Taiwan	19.50	19.50
6.2) Charoen Pokphand (Taiwan) Co., Ltd. <sup>(1)</sup>	Importer and distributor of feedstuff additives and animal vaccines	Taiwan	35.10	35.10
6.3) Chia Tai Lianyungang Co., Ltd. <sup>(1)</sup>	Investment	Hong Kong	39.00	39.00
6.4) Lianyungang Chia Tai Agro-industry Development Co., Ltd. <sup>(1)</sup>	Production and sale of animal feed	China	27.30	27.30
6.5) Plenty Type Limited <sup>(1)</sup>	Investment	Cayman Islands	39.00	39.00
6.6) Rui Fu Foods Co., Ltd. <sup>(1)</sup>	Layer chicken business	Taiwan	19.89	19.89
6.7) Rui Mu Foods Co., Ltd. <sup>(1)</sup>	Layer chicken business	Taiwan	20.28	20.28
6.8) Sheng Da Foods Co., Ltd. <sup>(1)</sup>	Layer chicken business	Taiwan	19.89	-
7) Charoen Pokphand Foods (Malaysia) Sdn. Bhd.	Investment in aquaculture integration business and swine business	Malaysia	99.99	99.99

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
7.1) Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
7.2) Makin Jernih Sdn. Bhd.	Investment	Malaysia	99.99	99.99
7.2.1) AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
7.2.2) Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
7.2.3) Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
7.3) Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
8) Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	100.00	70.00
9) Coinaton Investments Limited	Investment	British Virgin Islands	100.00	100.00
9.1) Chun Ta Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
10) CPF (India) Private Limited	Production and sale of animal feed, farming and processed food	India	99.99	99.99
10.1) Lotus Aquaculture Lanka (Private) Limited	Shrimp hatchery and farming, and cold storage	Sri Lanka	75.00	-
11) CPF Japan Co., Ltd	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
12) CPVN Limited	Investment	British Virgin Islands	100.00	100.00
13) Forward Pass Limited	Investment	British Virgin Islands	100.00	100.00
13.1) Ta Chung Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
14) New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
15) Norfolk Foods (Private) Limited	Production and sale of ready meals	Sri Lanka	80.00	80.00

(1) The Group has the power to govern those companies

(2) Operations wound up

(3) Closed

(4) During the year 2019, the Company sold the entire shares of investment in C.P. Aquaculture (Beihai) Co., Ltd. to a subsidiary of C.P. Pokphand Co., Ltd.

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**2 Basis of preparation of the financial statements**

**2.1 Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue* and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

**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.

**2.3 Use of judgments and estimates**

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Accounting policies which have the information about judgments that have significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 12, 14 and 15	Consolidation of entities that the Group has control and significant influence over
Note 3 and 25	Revenue recognition

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Accounting policies which have the information about significant areas of estimation uncertainty and critical judgments that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 5	Measurement of fair value of assets acquired and liabilities assumed
Note 10	Measurement of biological assets
Note 12, and 14 to 19	Key assumptions underlying recoverable amounts
Note 22	Measurement of defined benefit obligations
Note 28	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
Note 32	Measurement of financial instruments

### **3 Change in accounting policy**

From 1 January 2019, the Group has adopted TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard as an adjustment to the retained earnings at 1 January 2019. Therefore, the Group has not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

Before TFRS 15 was effective, the Group recognised revenue when the significant risks and rewards of ownership of the goods have been transferred to the buyer. However, under TFRS 15, the Group recognises revenue 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. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Transfer of significant risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

Summary of the impact, net of tax, from adopting TFRS 15 is as follows:

<i>As at 1 January 2019</i>	<b>Consolidated financial statements</b>	<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>
Decrease in retained earnings	264	31
Decrease in non-controlling interests	92	-

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The following tables summarise the impacts of initial application of TFRS 15 on the financial statements.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
<b>Statement of financial position</b> <b>As at 31 December 2019</b>						
<b>Assets</b>						
Accounts receivable - trade and others	33,118	2,494	35,612	2,508	106	2,614
Current biological assets	37,104	(1,188)	35,916	1,059	(56)	1,003
Other current assets	4,887	(701)	4,186	60	-	60
Non-current biological assets	8,057	1	8,058	-	-	-
Deferred tax assets	3,156	(47)	3,109	956	(6)	950
		<b>559</b>			<b>44</b>	
<b>Liabilities</b>						
Accounts payable - trade and others	32,184	404	32,588	1,169	22	1,191
Other current liabilities	13,617	(28)	13,589	1,434	-	1,434
		<b>376</b>			<b>22</b>	
<b>Shareholders' equity</b>						
Unappropriated retained earnings	103,579	200	103,779	53,294	22	53,316
Currency translation differences	(31,798)	(20)	(31,818)	-	-	-
Non-controlling interests	50,597	3	50,600	-	-	-
		<b>183</b>			<b>22</b>	
<b>Total</b>		<b>559</b>			<b>44</b>	

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	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
<b>Statement of income for the year ended 31 December 2019</b>						
Revenue from sale of goods	532,573	25,244	557,817	24,462	470	24,932
Cost of sales of goods	456,269	25,385	481,654	23,122	481	23,603
<b>Gross profit</b>	<b>76,304</b>	<b>(141)</b>	<b>76,163</b>	<b>1,340</b>	<b>(11)</b>	<b>1,329</b>
<b>Profit before income tax expense (income)</b>	<b>29,544</b>	<b>(141)</b>	<b>29,403</b>	<b>6,985</b>	<b>(11)</b>	<b>6,974</b>
Income tax expense (income)	5,446	7	5,453	757	(2)	755
<b>Profit for the year</b>	<b>24,098</b>	<b>(148)</b>	<b>23,950</b>	<b>6,228</b>	<b>(9)</b>	<b>6,219</b>

(Unit: Million Baht)

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**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

**(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 associates and joint ventures.

*Business combinations*

The Group applies the acquisition method for all business combinations when the Group has control, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. 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.

*Step acquisition*

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.



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*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 from the date on which control commences 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 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, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. 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*

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

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.

Interests in associates and joint ventures are accounted for 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 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 associates and joint ventures 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.

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**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to 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 to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

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

*Foreign operations*

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

The revenues and expenses of foreign operations are translated to 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.

A monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item and related hedging transactions are considered to form part of a net investment in a foreign operation and are presented in the same way as foreign exchange differences arising from translation.

**(c) Derivatives**

Derivatives are used to manage exposure to foreign exchange and interest rate arising from operational, financing and investment activities. Derivatives are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss depending on the nature of the item being hedged. The gain or loss on remeasurement is recognised depending on the nature of the item being hedged.

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**(d) Hedging**

*Hedge of future foreign currency transactions*

The Group has a policy to mitigate the foreign exchange risk of the foreign currencies monetary transactions by entering into forward exchange contracts. In this regard, all monetary transactions are translated to the functional currency of the Company and subsidiaries at the rates prevailing at the reporting date, adjusted by net receivables/ payables arising from the related forward exchange contracts and the remaining deferred forward premium/ discount. The related forward premium/ discount is recorded as income/expense over the forward contract term. The amortised forward premium/ discount and gains or losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange gains or losses on the foreign currency monetary transactions being hedged.

For hedges of anticipated future transactions, the Group recognises gains and losses on forward exchange contracts and the related forward premium/ discount as deferred transaction until the transactions are completed then recognises gains or losses in profit or loss.

*Hedge of interest rates*

Interest differentials under swap arrangements are accrued in proportion to the interval of time and relevant underlying notional principal and recorded as adjustments to the interest expense relating to the hedged loans.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits, highly liquid short-term investments and bank overdrafts that are repayable on demand.

Deposits that have a restriction on use are presented separately in the account “Restricted deposits at financial institutions” in the statement of financial position.

**(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 doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

**(g) Inventories**

Finished goods, raw materials, chemicals, medicals and supplies are measured principally at the lower of average cost and net realisable value.

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

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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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) *Biological assets***

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consisting of swine breeders, are separately presented under the caption “Non-current assets”. Other biological assets are presented under the caption “Current assets” in the statement of financial position.

**(i) *Non-current assets classified as held for sale***

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties, which continue to be measured under different rules in accordance with the Group’s accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

**(j) *Investments***

*Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

*Investments held as available for sale*

Investments held as available for sale are investments in marketable equity securities that are non-subsidaries and/or non-associates and/or non-joint ventures, other than those securities held for trading or intended to be held to maturity. Investments held as available for sale are, subsequent to initial recognition, stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses are recognised directly in equity. When there is objective evidence that the value of the asset is impaired, impairment losses are recognised in profit or loss.

*General investments*

General investments are investments in equity securities of related and other companies that are non-subsidaries and/or non-associates and/or non-joint ventures, which are not marketable and are stated at cost less accumulated impairment losses.

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*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.

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.

**(k) Investment properties**

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each type of property. The estimated useful lives are 5-50 years.

*Transfers to property and plant*

The carrying amount of investment properties is transferred to property and plant at the date of change in use and measured in accordance with accounting policy of property and plant.

**(l) Property, plant and equipment**

*Recognition and measurement*

*Owned assets of the Group*

Land used for operations is measured at revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

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

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Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation differences on assets are transferred to retained earnings.

*Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

*Revalued assets*

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets approximated to that which would be determined using fair values at the reporting date.

Any increase in value net of deferred tax liability is recognised in other comprehensive income and presented in “Revaluation differences on assets” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. Any value of subsequent increase will credit to other comprehensive income only for the amount higher than the previous decrease in value.

A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

*Transfers to investment properties*

Transfers from owner-occupied property to investment property are stated at carrying amount of the property transferred at the date of the change in use.

*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.

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*Depreciation*

Depreciation is calculated based on the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Utilities system	3 - 40	years
Buildings and constructions	2 - 60	years
Building improvements and leasehold improvements	2 - 40	years
Water and electricity systems	3 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	2 - 20	years
Vehicles	2 - 25	years

No depreciation is provided on land and assets under construction and installation.

Depreciation methods, estimated useful lives and residual values are reviewed at each financial year-end.

**(m) Intangible assets**

*Goodwill*

The measurement of goodwill that arises upon the acquisition of subsidiaries at initial recognition is described in note 4 (a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill related to associates and joint ventures is included in the carrying amount of the investment in associates and joint ventures.

*Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs 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. The expenditure capitalised includes the cost of materials, direct labour, borrowing cost and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

*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.

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*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and trademarks, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is calculated over the cost of the asset less its residual value.

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 cost of software applications	3 - 20	years
Software licenses	3 - 20	years
Trademarks	8 - 20 years and indefinite useful life	
Customer relationship	10 - 15	years
Development cost of products	5, 15	years
Trademark licenses	15	years

Amortisation methods, estimated useful lives and residual values are reviewed at each financial year-end.

**(n) Leasehold rights**

Payments made by the Group for leasehold rights are measured at cost and amortisation is recognised in the profit or loss on a straight line basis over the periods of the leasehold.

**(o) Impairment**

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 if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income.

When there is objective evidence that the value of the available-for-sale investments is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

*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.



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*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The reversal of a financial asset is recognised as follows:

- (1) For financial assets carried at amortised cost and available-for-sale investments that are debt securities, the reversal is recognised in profit or loss.
- (2) For equity securities, the reversal is recognised directly in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss of the assets is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

**(p) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(q) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(r) Contract liabilities**

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

**(s) Employee benefits**

*Post-employment benefit - defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised in profit or loss in the periods during which services are rendered by employees.

*Post-employment benefit - defined benefit plans*

Obligations for defined benefit plans are 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.

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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.

*Termination benefits*

Termination benefits are expensed 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 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.

**(t) 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.

**(u) Treasury shares**

Treasury shares are the Company's ordinary shares held by subsidiaries and recorded at fair value at the acquisition date. They are recognised at fair value and deducted in the equity in the consolidated financial statements. When the ordinary shares held by the subsidiaries are disposed, the Company will recognise the gain net of tax from the disposal as surplus and net losses of tax are debited to retained earnings after setting off against any remaining balance of surplus.

**(v) Measurement of fair values**

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

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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.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(w) Revenue**

*Sale of goods*

Information about the Group's accounting policies relating to revenue from sale of goods are disclosed in note 3.

*Rental income*

Rental income from operating lease contracts is recognised in profit or loss on a straight line basis over the term of the lease.

*Other income*

Other operating income and interest income are recognised in profit or loss on the accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

**(x) Finance costs**

Interest and expenses incurred from financing are charged to profit or loss for the period on the accrual basis, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The interest component of finance lease payments is recognised as finance costs in profit or loss using the effective interest rate method.

**(y) Expenses**

*Operating lease payments*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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Contingent lease payments are accounted for by revising the minimum lease payment over the remaining term of the lease when the lease adjustment is confirmed.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

When an arrangement is or contains a lease, at inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group incremental borrowing rate.

**(z) Income tax**

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the income tax of business combination or the extent that it relates to items recognised directly in equity or other comprehensive income.

*Current tax*

Current tax is calculated from the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

*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 and associates that 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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

**(aa) Basic earnings per share**

The Group presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated from the profit or loss attributable to ordinary shareholders of the Company less cumulative interest expense (net of income tax) on subordinated perpetual debentures and divided by the weighted average number of ordinary shares held by third parties outstanding during year.

**(ab) Segment reporting**

Segment results that are reported to the Group’s management (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**5 Significant acquisitions of subsidiaries and non-controlling interests**

**5.1 Share acquisition of Jilin Deda Feed Co., Ltd. (“Deda”)**

On 31 December 2019, Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary of the Company, acquired the entire ordinary shares of Deda, from Chia Tai (China) Agro-Industrial Ltd., Chia Tai SongLiao Co., Ltd. and Mass Success Enterprise Ltd. at the amount of Renminbi 134 million or equivalent to approximately Baht 576 million.

Deda is incorporated in China and principally engages in production and sale of animal feed.

The Group obtained control of Deda on 31 December 2019 (“Acquisition date”) through the acquisition of 52.24% of its total issued and paid-up share capital.

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2018) *Business Combinations* to recognise the business combination transactions. Details of the total consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date were as follows:

*Consideration transferred*

*(Unit: Million Baht)*

	<b>Fair value</b>
Cash	<b>576</b>

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*Identifiable assets acquired and liabilities assumed*

(Unit: Million Baht)

	<b>Fair value</b>
Accounts receivable - trade and others	10
Inventories	60
Other current assets	44
Property, plant and equipment	188
Customer relationship	342
Other non-current assets	112
Accounts payable - trade and others	(49)
Other current liabilities	(46)
Deferred tax liabilities	(85)
<b>Net assets</b>	<b>576</b>
Consideration transferred	576
Cash received from acquisition of subsidiary	-
<b>Net consideration paid for acquisition of subsidiary</b>	<b>576</b>

As at 31 December 2019, the Group is still assessing the final fair value assessment of the net assets acquired in accordance with TFRS No. 3 (revised 2018). In this regards, the Group has provisionally estimated the fair value of the identifiable assets and liabilities assumed from the business combination for accounting record. However, if the Group obtains any new information within one year from the acquisition date about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognise any additional assets or liabilities existed at the acquisition date, then the acquisition accounting will be revised.

If the acquisition of Deda had occurred on 1 January 2019, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the year ended 31 December 2019 would have been as follows:

(Unit: Million Baht)  
For the year ended  
31 December 2019

Revenue from sale of goods	533,277
Profit for the year attributable to equity holders of the Company	18,467

## **5.2 Acquisition of non-controlling interests of C.P. Pokphand Co., Ltd. (“CPP”)**

During the year 2019, CPF Investment Limited, a 100% owned subsidiary of the Company, acquired an additional 1.81% non-controlling interest in CPP from the acquisition of common shares of CPP from the Stock Exchange of Hong Kong of 460 million shares with total consideration of U.S. Dollar 40 million or equivalent to Baht 1,265 million, increasing the Group’s ownership interest in CPP from 50.43% to 52.24%.

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	<i>(Unit: Million Baht)</i>
	<b>Consolidated</b>
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	<u>2019</u>
Carrying amount of non-controlling interests acquired	877
Consideration transferred	1,265
<b>A decrease in equity attributable to equity holders of the Company</b>	<b>(388)</b>
<b>A decrease in equity attributable to equity holders of the Company comprised:</b>	
Surplus from change in shareholders' equity in subsidiaries	704
Fair value change on investments held as available for sale	5
Foreign currency translation differences	(1,097)
<b>Total</b>	<b>(388)</b>

## 6 Related party transactions

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.

The entity which holds significant influence over the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 48.93% of the Company's voting rights as of the latest closing date of shareholder register book on 8 May 2019.

The pricing policies for particular types of transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	The price list of the Group
Purchase of raw material and goods	The price list of the suppliers
Purchase and sale of property, plant and equipment	Fair value
Purchase and sale of investments	Fair value
Interest income/interest expense	Source of fund cost plus fund management expenses
Dividend income	Upon declaration
Rental and service fees	Standard rates as specified by the lessors or service providers
Technical service fees	Rate per quantity of feed production/rate per sale value of animal feed/rate per total revenue
Trademark license fee	Rate per sales value under trademark
Other income/other expenses	Standard service rates as specified by the service providers

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**6.1 Significant transactions with related parties for the years ended 31 December**

		(Unit: Million Baht)			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>(a)</b>	<b>Income</b>				
	<b>Significant influence entity</b>				
	Sale of goods	2	1	-	-
	Training and seminar income	1	1	-	-
	Software application income	1	1	-	-
	Rental, service and other income	1	1	-	-
	<b>Subsidiaries</b>				
	Dividend income	-	-	11,517	10,612
	Interest income	-	-	4,362	4,321
	Sale of goods	-	-	2,733	2,322
	Gain on sale of fixed assets	-	-	14	7
	Rental, service and other income	-	-	6	10
	Gain on sale of investment	-	-	-	6,455
	<b>Associates, joint ventures and related companies</b>				
	Sale of goods	63,079	67,129	1,248	1,057
	Rental, service and other income	214	182	4	3
	Dividend income	124	88	9	38
	Software application income	72	219	-	-
	Gain on sale of fixed assets	36	2	-	2
	Interest income	14	31	-	-
	Training and seminar income	8	8	-	-
<b>(b)</b>	<b>Expenses and others</b>				
	<b>Significant influence entity</b>				
	Purchase of raw materials and goods	9,537	10,748	2,296	2,699
	Trademark license fees	2,987	1,430	233	7
	Technical service fees	444	724	9	40
	<b>Subsidiaries</b>				
	Purchase of raw materials and goods	-	-	2,368	2,950
	Loss on sale of investment	-	-	454	-
	Software application fees	-	-	158	165
	Rental and service fees	-	-	56	56
	Interest expense	-	-	45	-
	Training and seminar fees	-	-	19	30
	Other expenses	-	-	44	36
	<b>Associates, joint ventures and related companies</b>				
	Purchase of raw materials and goods	65,512	76,610	544	534
	Construction costs of buildings, structures and others	3,648	2,944	196	380



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		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
(b)	Expenses and others (Continued)				
	Associates, joint ventures and related companies				
	Rental and service fees	1,912	1,895	258	315
	Training and seminar fees	258	218	28	32
	Purchase of equipment and others	186	204	38	25
	Trademark license fees	92	73	-	-
	Software application fees	70	55	-	-
	Interest expense	12	11	-	-
	Other expenses	1,618	1,570	119	99

**6.2 Balances with related parties as at 31 December were as follows:**

**6.2.1 Accounts receivable - trade and others**

			(Unit: Million Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Significant influence entity	2	3	-	1
Subsidiaries	-	-	659	1,003
Associates and joint ventures	5,182	4,553	39	46
Related companies	7,371	12,051	530	466
<b>Total</b>	<b>12,555</b>	<b>16,607</b>	<b>1,228</b>	<b>1,516</b>

**6.2.2 Short-term loans**

		(Unit: Million Baht)	
		Consolidated financial statements	
		Average balance	
		Outstanding balance	
		2019	2018
		2019	2018
Joint ventures		188	17
Total		188	17

		(Unit: Million Baht)	
		Separate financial statements	
		Outstanding balance	Average balance
		2019	2018
		2019	2018
Subsidiaries		43,075	60,622
Total		43,075	60,622
		47,451	48,639
		47,451	48,639

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.

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The currency denomination of short-term loans as at 31 December was as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Functional currencies of each company in the Group	188	17	43,075	60,622
<b>Total</b>	<b>188</b>	<b>17</b>	<b>43,075</b>	<b>60,622</b>

**6.2.3 Advance payments for purchase of goods**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Joint ventures	8	78	-	-
Related companies	3,685	5,580	-	-
<b>Total</b>	<b>3,693</b>	<b>5,658</b>	<b>-</b>	<b>-</b>

**6.2.4 Accrued dividend income**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Subsidiaries	-	-	2,690	3,203
Associates	128	161	-	-
Related companies	37	40	-	25
<b>Total</b>	<b>165</b>	<b>201</b>	<b>2,690</b>	<b>3,228</b>

**6.2.5 Accrued interest income**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Joint ventures	1	1	-	-
<b>Total</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>

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**6.2.6 Long-term loans**

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated financial statements</b>			
	Outstanding balance		Average balance	
	2019	2018	2019	2018
Associate	29	6	6	4
<b>Total</b>	<b>29</b>	<b>6</b>	<b>6</b>	<b>4</b>

	<i>(Unit: Million Baht)</i>			
	<b>Separate financial statements</b>			
	Outstanding balance		Average balance	
	2019	2018	2019	2018
Subsidiaries	600	15,673	15,799	13,998
<b>Total</b>	<b>600</b>	<b>15,673</b>	<b>15,799</b>	<b>13,998</b>

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.

The currency denomination of long-term loans as at 31 December was as follows:

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
Functional currencies of each company in the Group	29	6	600	282
Foreign currencies				
- United States Dollar	-	-	-	15,391
<b>Total</b>	<b>29</b>	<b>6</b>	<b>600</b>	<b>15,673</b>

**6.2.7 Accounts payable - trade and others**

	<i>(Unit: Million Baht)</i>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
Significant influence entity	429	257	63	57
Subsidiaries	-	-	97	48
Associates and joint ventures	497	405	6	6
Related companies	4,664	4,243	84	123
<b>Total</b>	<b>5,590</b>	<b>4,905</b>	<b>250</b>	<b>234</b>

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**6.2.8 Short-term borrowings**

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated financial statements</b>			
		Outstanding balance		Average balance	
		2019	2018	2019	2018
Joint ventures		657	661	615	567
<b>Total</b>		<b>657</b>	<b>661</b>	<b>615</b>	<b>567</b>
		<i>(Unit: Million Baht)</i>			
		<b>Separate financial statements</b>			
		Outstanding balance		Average balance	
		2019	2018	2019	2018
Subsidiary		6,500	-	1,542	-
<b>Total</b>		<b>6,500</b>	<b>-</b>	<b>1,542</b>	<b>-</b>

The Company and the Group compute the average balance from the outstanding balances of short-term borrowings at the end of each month excluding accrued interest expense.

**6.3 Balances of loans/borrowings and interest rates**

Balances of loans/borrowings and interest rates as at 31 December are summarised as follows:

		<b>Consolidated financial statements</b>					
		<i>(Unit: Million Baht)</i>					
		Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
		2019	2018	2019	2018	2019	2018
Short-term loans to joint ventures		188	17	-	-	4.74	4.85
Long-term loans to associate		29	6	-	-	3.51	4.95
Short-term borrowings from joint ventures		657	661	-	-	2.00	2.00
		<b>Separate financial statements</b>					
		<i>(Unit: Million Baht)</i>					
		Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
		2019	2018	2019	2018	2019	2018
Short-term loans to subsidiaries		-	-	43,075	60,622	6.88	7.13
Long-term loans to subsidiaries		600	6,328	-	9,345	5.00	6.25
Short-term borrowing from subsidiary		6,500	-	-	-	3.85	-

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**6.4 Key management personnel compensation**

Key management personnel compensation consists of:

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<i><b>For the year ended 31 December</b></i>				
Short-term employee benefits	1,324	1,490	169	228
Post-employment under defined benefit plans	<u>60</u>	<u>16</u>	<u>15</u>	<u>4</u>
<b>Total</b>	<b><u>1,384</u></b>	<b><u>1,506</u></b>	<b><u>184</u></b>	<b><u>232</u></b>
<i><b>As at 31 December</b></i>				
Provisions for employee benefits	<u>466</u>	<u>434</u>	<u>108</u>	<u>87</u>
<b>Total</b>	<b><u>466</u></b>	<b><u>434</u></b>	<b><u>108</u></b>	<b><u>87</u></b>

**6.5 Commitments**

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

**6.5.1 Capital commitments**

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, and purchase of machinery and others	<u>703</u>	<u>593</u>	<u>7</u>	<u>59</u>

**6.5.2 Commitments under operating lease agreements**

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within one year	1,302	1,228	210	273
Over one year but within five years	2,526	2,207	269	277
Over five years	<u>545</u>	<u>415</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>4,373</u></b>	<b><u>3,850</u></b>	<b><u>479</u></b>	<b><u>550</u></b>

The Company and certain subsidiaries had lease agreements with related parties covering office premises (including related facilities service agreements), land, farms and vehicles for the periods of 1 to 16 years, expiring in 2020 to 2035.

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**6.6 Significant agreements**

As at 31 December 2019, the Group had the following significant agreements with related parties:

**6.6.1 *Technical service agreement***

Certain foreign subsidiaries have a technical service agreement with a significant influence entity, Charoen Pokphand Group Company Limited (“CPG”) for the right to obtain technical service as stipulated in the agreement. In this regard, the foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreement.

**6.6.2 *Trademark agreements***

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use trademarks as stipulated in the agreements. In this regard, the Company and subsidiaries are committed to pay trademark license fees to CPG in accordance with the terms, conditions and rates as stipulated in the agreements.

A subsidiary has a trademark agreement with a related company, Star Marketing Co., Ltd. (“STAR”), for the right to use trademarks as stipulated in the agreement. In this regard, the subsidiary is committed to pay trademark license fee to STAR in accordance with the terms, conditions and rates as stipulated in the agreement.

**6.6.3 *Application system service agreement***

A subsidiary had an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”) as stipulated in the agreement. Under the terms of the agreement, Freewill agrees to provide the subsidiary the application system service. In this regard, the subsidiary is committed to pay the application system service fee to Freewill in accordance with the terms, conditions and rates as stipulated in the agreement.

**6.6.4 *Service agreements for import and export transactions***

The Company and certain subsidiaries have service agreements with a related company, C.P. Intertrade Co., Ltd. (“CPI”) as stipulated in the agreements. Under the terms of the agreements, CPI agrees to provide documentation services and others relating to import and export transactions of the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the service fees to CPI in accordance with the terms, conditions and rates as stipulated in the agreements.

**6.6.5 *Software application agreements***

A subsidiary (CPF IT Center Co., Ltd.) has information technology service and software application agreements with local and foreign related companies. The terms and the service fees are stipulated in the agreements. 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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**6.6.6 Agreements for the acquisition of assets**

During the year 2019, Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary of the Company, entered into agreements with related companies (Yueyang C.T. Agricultural Husbandry Co., Ltd., Heilongjiang Chia Tai Enterprise Co., Ltd. and Hengyang Chia Tai Co., Ltd.) to acquire assets relating to production and sale of animal feed business in China for total consideration of Renminbi 58 million or equivalent to approximately Baht 260 million.

As at 31 December 2019, CTI had partially acquired the assets for total amount of Renminbi 8 million or equivalent to approximately Baht 39 million.

**7 Cash and cash equivalents**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Cash at financial institutions and on hand	25,342	26,353	1,066	4,406
Highly liquid short-term investments	6,752	5,125	-	-
<b>Total</b>	<b>32,094</b>	<b>31,478</b>	<b>1,066</b>	<b>4,406</b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Functional currencies of each company in the Group	29,333	29,467	1,059	4,392
Foreign currencies				
- United States Dollar	1,847	1,588	7	14
- Euro	430	153	-	-
- Norway Krone	179	2	-	-
- Zloty	102	19	-	-
- Taiwan Dollar	79	82	-	-
- Renminbi	64	47	-	-
- Hong Kong Dollar	23	21	-	-
- Others	37	99	-	-
<b>Total</b>	<b>32,094</b>	<b>31,478</b>	<b>1,066</b>	<b>4,406</b>

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**8 Accounts receivable - trade and others**

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
<i>Note</i>		2019	2018	2019	2018
	Related parties	12,555	16,607	1,228	1,516
	Other parties	21,605	24,974	1,285	1,541
	<b>Total</b>	<b>34,160</b>	<b>41,581</b>	<b>2,513</b>	<b>3,057</b>
	<i>Less</i> allowance for doubtful accounts	(1,042)	(832)	(5)	(6)
	<b>Net</b>	<b>33,118</b>	<b>40,749</b>	<b>2,508</b>	<b>3,051</b>
<b>Bad and doubtful debts expense</b>					
<b>(reversal of allowance for doubtful</b>					
<b>accounts) for the year ended</b>					
<b>31 December</b>					
		<b>544</b>	<b>388</b>	<b>(1)</b>	<b>1</b>

The outstanding balances of the doubtful accounts receivable - trade and others as at 31 December classified by aging were as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2019	2018	2019	2018
Periods over credit terms:					
	Over 3 months to 6 months	42	108	-	-
	Over 6 months to 12 months	96	122	-	-
	Over 12 months	904	602	5	6
	<b>Total</b>	<b>1,042</b>	<b>832</b>	<b>5</b>	<b>6</b>

The currency denomination of accounts receivable - trade and others as at 31 December was as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2019	2018	2019	2018
Functional currencies of each company					
in the Group					
		30,205	37,529	1,805	1,748
Foreign currencies					
-	United States Dollar	1,281	2,103	205	590
-	Won	453	393	-	-
-	Euro	402	134	19	49
-	Renminbi	373	32	373	395
-	Singapore Dollar	212	272	-	-
-	Swedish Krona	76	69	-	-
-	Australian Dollar	43	42	66	198
-	Yen	40	53	19	14
-	Pound Sterling	10	107	21	54
-	Others	23	15	-	3
	<b>Total</b>	<b>33,118</b>	<b>40,749</b>	<b>2,508</b>	<b>3,051</b>



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**9 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Raw materials	32,346	33,648	1,495	1,932
Chemicals and supplies	2,874	2,878	154	157
Work in progress	1,620	1,840	268	465
Finished goods	18,023	16,927	853	1,149
Inventories in transit	6,677	4,893	3	3
<b>Total</b>	<b>61,540</b>	<b>60,186</b>	<b>2,773</b>	<b>3,706</b>
Less allowance for decline in value of inventories	(553)	(554)	(106)	(45)
<b>Net</b>	<b>60,987</b>	<b>59,632</b>	<b>2,667</b>	<b>3,661</b>

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2019 amounted to Baht 350,951 million (2018: Baht 370,223 million) in the consolidated statement of income and Baht 14,012 million (2018: Baht 15,082 million) in the separate statement of income.

In 2019, the Group and the Company recognised losses for decline in value of inventories of Baht 22 million (2018: Baht 233 million) and Baht 61 million (2018: recognised a reversal of allowance for decline in value of inventories of Baht 51 million) respectively.

**10 Biological assets**

Movements for the years ended 31 December were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
At 1 January	42,894	37,737	847	1,159
Increase due to purchase/raise	151,600	156,571	8,293	8,848
Decrease due to sale/harvest	(145,525)	(148,116)	(7,882)	(8,813)
Depreciation	(6,097)	(5,735)	(136)	(136)
Gains on change in fair value less costs to sell	3,235	3,975	-	-
Currency translation differences	(1,979)	(1,250)	-	-
Others	1,033	(288)	(63)	(211)
<b>Balance at 31 December</b>	<b>45,161</b>	<b>42,894</b>	<b>1,059</b>	<b>847</b>
<b>Current</b>				
Livestock	35,236	32,890	-	-
Aquatic	1,868	1,788	1,059	847
<b>Total current</b>	<b>37,104</b>	<b>34,678</b>	<b>1,059</b>	<b>847</b>
<b>Non-current</b>				
Livestock	8,057	8,216	-	-
<b>Total non-current</b>	<b>8,057</b>	<b>8,216</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>45,161</b>	<b>42,894</b>	<b>1,059</b>	<b>847</b>

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Biological assets comprise livestock biological assets such as swine, chicken, duck etc. and aquatic biological assets such as shrimp and fish. Biological assets are measured at fair value using quoted prices at the end of reporting period as references. Except certain types of biological assets which have short production cycle or the market prices at present condition of the biological assets are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, disease etc., they are measured at cost less accumulated depreciation and impairment losses.

Cost includes all costs incurred from the acquisition of biological assets and throughout the growth cycle such as cost of new-born animals, feed costs, and other costs.

Bearer biological assets, for example breeders, are depreciated using the straight line method over the productive period or the units of production method which ranges approximately from 4 months to 36 months depending on the type of biological assets.

An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December is as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Livestock	847,822	828,853	-	-
Aquatic	24,942	17,316	4,682	3,075

(Unit: Tons)

The estimates of physical quantities of biological assets were based on experience and historical data. The Group estimates the physical quantities of aquatic biological assets using a sampling method to project the overall weight.

**Fair value measurement**

The fair value of biological assets including carrying amount in the consolidated financial statements are as follows:

		<b>Consolidated financial statements</b>			
	Carrying amount	<b>Fair value</b>			
		Level 1	Level 2	Level 3	Total
<b>31 December 2019</b>					
Biological assets at fair value					
less costs to sell	19,474	-	4,234	15,240	19,474
<b>31 December 2018</b>					
Biological assets at fair value					
less costs to sell	17,684	-	4,018	13,666	17,684

(Unit: Million Baht)

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which used quoted prices based on market prices at the reporting date.

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The following table shows the valuation technique used in measuring the fair value of biological assets, as well as the significant unobservable inputs used for those categorised in Level 3.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Market comparison approach	<p>Reference market price as at 31 December 2019</p> <ul style="list-style-type: none"> <li>• Suckling swine Baht 1,413 per head</li> <li>• Weanling swine Baht 2,081 per head</li> <li>• Fattening swine Baht 103 per kilogram</li> <li>• Sow Baht 13,962 to Baht 22,338 per head</li> </ul>	On the reporting date, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by Baht 1,768 million.

The fair value of biological assets is performed by the Group's relevant finance department and operations team using a series of systematic procedures. The fair value measurements are categorised into each hierarchy based on inputs of swine market in each country as reference. The fair value of swine is determined based on market price per head or weight of swine.

## **11 Investments held as available for sale**

Movements for the years ended 31 December were as follows:

	<b>Consolidated financial statements</b>		<i>(Unit: Million Baht)</i> <b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
At 1 January	4,262	5,910	-	-
Disposals	-	(64)	-	-
Reclassification of change in fair value to profit or loss from disposals	-	(442)	-	-
Changes in fair value	(143)	(1,095)	-	-
Currency translation differences	(239)	(47)	-	-
<b>At 31 December</b>	<b>3,880</b>	<b>4,262</b>	<b>-</b>	<b>-</b>

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*Details of investments held as available for sale*

Investments held as available for sale as at 31 December were as follows:

*(Unit: Million Baht)*

	Ownership interest (both direct and indirect) (%)		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
<b>Marketable securities</b>						
<b>- at fair value</b>						
True Corporation Public Company Limited - at cost	2.21	2.21	7,157	7,381	-	-
Zhejiang Huatong Meat Products Co., Ltd.	1.43	1.38	150	165	-	-
Changes in fair value			(3,427)	(3,284)	-	-
<b>Total</b>			<b>3,880</b>	<b>4,262</b>	<b>-</b>	<b>-</b>

**Carrying amounts and fair values of financial instruments carried at fair value**

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position were as follows:

*(Unit: Million Baht)*

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2019</b>					
<b>Non-current</b>					
Equity securities available for sale	3,880	3,880	-	-	3,880
<b>31 December 2018</b>					
<b>Non-current</b>					
Equity securities available for sale	4,262	4,262	-	-	4,262

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**12 Investments in subsidiaries**

Movements during the years ended 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
At 1 January	-	-	151,976	133,237
Acquisitions/additional investments	-	-	41,380	18,739
Disposals	-	-	(602)	-
Impairment losses	-	-	(204)	-
Classified as non-current asset available for sale	-	-	(1,084)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>191,466</b>	<b>151,976</b>

During the year 2019, the Company entered into the Share Purchase Agreement to sell 100% equity capital held by the Company in C.P. Aquaculture (Beihai) Co., Ltd., to Chia Tai Investment Co., Ltd., which is a foreign indirect subsidiary for a total consideration of Renminbi 35 million or equivalent to approximately Baht 148 million and entered into the Share Purchase Agreement to sell 100% equity capital held by the Company in C.P. Aquaculture (Dongfang) Co., Ltd., Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd., and C.P. Aquaculture (Zhanjiang) Co., Ltd., to CP China Investment Limited which is a foreign indirect subsidiary for a total consideration of Renminbi 231 million or equivalent to approximately Baht 975 million, Renminbi 129 million or equivalent to approximately Baht 545 million and Renminbi 65 million or equivalent to approximately Baht 276 million, respectively.

As at 31 December 2019, the transactions with Chia Tai Investment Co., Ltd. have been completed. The Company recognised loss on sale of investment amounting Baht 454 million in the separate statements of income. In addition, the transactions with CP China Investment Limited have not been completed; therefore, the Company classified these investments in subsidiaries to non-current assets classified as held for sale in the separate statement of financial position and recognised loss on impairment of investments amounting Baht 57 million in the separate statements of income.

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*Details of investments in subsidiaries and dividend income*

Investments in subsidiaries as at 31 December and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Marketable securities												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	4,691	-	-	4,691	4,691	169	124
Chia Tai Enterprises International Limited	4.98	4.98	840	840	500	500	-	-	500	500	-	-
Total					5,191	5,191	-	-	5,191	5,191	169	124
Non-marketable securities												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	179	507
CPF (Thailand) Public Company Limited	99.99	99.98	15,289	12,900	48,510	38,955	-	-	48,510	38,955	-	-
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	-	-
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	200	-
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	-	-	9,000	9,000	8,280	6,750
Chester Food Co., Ltd.	99.99	99.99	80	80	450	450	-	-	450	450	-	-
CPF Food Research & Development Center Co., Ltd.	99.99	99.99	500	250	500	250	-	-	500	250	-	-
Bellisio Investment, LLC	100.00	100.00	26,991	20,925	26,991	20,925	-	-	26,991	20,925	-	-

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*Details of investments in subsidiaries and dividend income (Continued)*

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		share capital				impairment				for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
C.P. Aquaculture (Beihai) Co., Ltd.	-	100.00	-	602	-	602	-	-	-	602	-	-
C.P. Aquaculture (Dongfang) Co., Ltd. *	100.00	100.00	755	755	755	755	-	-	755	755	-	-
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-
C.P. Aquaculture (Zhanjiang) Co., Ltd. *	100.00	100.00	333	333	333	333	(57)	-	276	333	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	79.37	79.37	6,596	6,596	3,736	3,736	-	-	3,736	3,736	-	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	(8)	(8)	-	-	-	-
Charoen Pokphand Foods (Overseas) LLC	8.15	8.15	3,420	3,420	1,394	1,394	(1,085)	(938)	309	456	-	-
Charoen Pokphand Foods Philippines Corporation	23.81	27.78	4,487	3,954	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	55,662	55,662	55,644	55,644	-	-	55,644	55,644	1,793	-
CPF Tanzania Limited	58.26	58.26	224	224	129	129	(129)	(129)	-	-	-	-
C.P. Foods Holdings Limited	100.00	100.00	1	1	1	1	-	-	1	1	896	3,231
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
CPF Netherlands B.V.	99.99	99.99	37,663	12,541	38,148	12,926	-	-	38,148	12,926	-	-
CPF Poland S.A.	66.67	66.67	141	27	95	17	-	-	95	17	-	-

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*Details of investments in subsidiaries and dividend income (Continued)*

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up		Cost method		Accumulated		At cost - net		Dividend income	
	(%)		share capital				impairment				for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Homegrown Shrimp (USA) LLC	100.00	-	209	-	209	-	-	-	209	-	-	-
Zhangzhou C.P. Chia Tai Aquaculture Co., Ltd. *	100.00	100.00	53	53	53	53	-	-	53	53	-	-
<b>Total</b>					<b>188,638</b>	<b>147,860</b>	<b>(1,279)</b>	<b>(1,075)</b>	<b>187,359</b>	<b>146,785</b>	<b>11,348</b>	<b>10,488</b>
<b>Grand Total</b>					<b>193,829</b>	<b>153,051</b>	<b>(1,279)</b>	<b>(1,075)</b>	<b>192,550</b>	<b>151,976</b>	<b>11,517</b>	<b>10,612</b>
* Classified as non-current assets held for sale					(1,141)	-	57	-	(1,084)	-	-	-
<b>Net</b>					<b>192,688</b>	<b>153,051</b>	<b>(1,222)</b>	<b>(1,075)</b>	<b>191,466</b>	<b>151,976</b>	<b>11,517</b>	<b>10,612</b>



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**13 Non-controlling interests**

Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations as at 31 December were as follows:

*(Unit: Million Baht)*

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2019	2018	2019	2018	2019	2018
Non-controlling interests percentage*	47.76	49.57	49.57	49.57	61.00	61.00
Current assets	69,090	74,437	2,718	2,940	6,683	6,173
Non-current assets	94,233	78,923	7,092	6,976	12,899	11,913
Current liabilities	(66,657)	(63,197)	(923)	(699)	(6,419)	(6,752)
Non-current liabilities	(34,751)	(31,907)	(1,423)	(1,485)	(3,535)	(2,253)
Net assets	61,915	58,256	7,464	7,732	9,628	9,081
Goodwill of non-controlling interests	12,875	15,136	273	1,179	-	-
<b>Carrying amount of non-controlling interests**</b>	<b>40,910</b>	<b>42,970</b>	<b>2,917</b>	<b>4,027</b>	<b>5,080</b>	<b>4,805</b>

\* The non-controlling interests percentage of sub-group represents only direct holding on the respective intermediate subsidiary, whereas, many indirect subsidiaries are not wholly-owned by the intermediate subsidiary with various percentages of ownership interests.

\*\* The carrying amount of non-controlling interests of sub-group are derived from the above various percentages of ownership interests of indirect subsidiaries.

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Summaries of financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December were as follows:

*(Unit: Million Baht)*

	C.P. Pokphand Co., Ltd. and its subsidiaries		Chia Tai Enterprises International Limited and its subsidiaries		Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	
	2019	2018	2019	2018	2019	2018
Revenue	217,114	219,141	3,355	3,094	23,173	22,992
Profit for the year	13,946	12,318	525	713	1,546	1,072
Other comprehensive income	(747)	(3,614)	(632)	(449)	(119)	(169)
Total comprehensive income	13,199	8,704	(107)	264	1,427	903
<b>Profit (loss) attributable to non-controlling interests</b>	<b>5,256</b>	<b>4,926</b>	<b>(746)</b>	<b>68</b>	<b>1,025</b>	<b>689</b>
<b>Other comprehensive income attributable to non-controlling interests</b>	<b>(281)</b>	<b>(1,445)</b>	<b>(253)</b>	<b>(186)</b>	<b>(79)</b>	<b>(109)</b>
Cash flows from operating activities	17,729	8,350	(226)	721	1,941	1,012
Cash flows from investing activities	(10,349)	(5,703)	(331)	(116)	(1,057)	(1,700)
Cash flows from financing activities	(6,684)	1,235	97	87	156	567
Effect of exchange rate changes on balances held in foreign currencies	(160)	(451)	(6)	(53)	(7)	3
Net increase (decrease) in cash and cash equivalents	536	3,431	(466)	639	1,033	(118)
<b>Dividend paid to non-controlling interests</b>	<b>2,291</b>	<b>2,028</b>	<b>74</b>	<b>-</b>	<b>541</b>	<b>576</b>

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**14 Investments in associates**

Movements during the years ended 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
At 1 January	96,126	84,226	335	335
Share of profit	8,256	7,645	-	-
Dividend income	(3,843)	(3,615)	-	-
Acquisition/additional investments	10,774	12,865	-	-
Disposals	(4,458)	(2,937)	-	-
Exchange with Exchangeable Bonds	(23)	(1,577)	-	-
Currency translation differences	(651)	(494)	-	-
Others	(288)	13	-	-
<b>At 31 December</b>	<b>105,893</b>	<b>96,126</b>	<b>335</b>	<b>335</b>

The Group accounts for the investment in ordinary shares of an associate, CP ALL Public Company Limited (“CPALL”), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2019, the fair value of this investment was Baht 219,824 million (2018: Baht 211,073 million).

During the year 2019, the Group sold a portion of the investment in an associate with the carrying amount of Baht 4,458 million (2018: Baht 2,937 million) with gain on sale of investment amounting to Baht 8,027 million (2018: Baht 5,759 million), and exchanged the Exchangeable Bonds (“EBs”) into ordinary shares of CPALL with the carrying amount of Baht 23 million (2018: Baht 1,577 million) since the holders of EBs had exercised the exchange rights pursuant to the details set out in the terms and conditions of the EBs with gain on the exchange amounting to Baht 41 million (2018: Baht 3,128 million) (see details in note 20).

**Charoen Pokphand Foods Public Company Limited  
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**Notes to the financial statements**

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***Details of investments in associates and dividend income***

Investments in associates as at 31 December and dividend income for the years then ended were as follows:

*(Unit: Million Baht)*

(Unit: Million Baht)															
Consolidated financial statements															
	Country of operation	Ownership interest (both direct and indirect) (%)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Marketable security															
CP ALL Public Company Limited	Thailand	33.86	34.17	8,983	8,983	81,914	74,776	98,848	89,228	-	-	98,848	89,228	3,624	3,344
Total						81,914	74,776	98,848	89,228	-	-	98,848	89,228	3,624	3,344
Non-marketable securities															
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,203	1,203	159	159	163	163	-	-	163	163	-	-
Ross Breeders Siam Co., Ltd.	Thailand	49.99	49.99	70	70	35	35	132	140	-	-	132	140	51	27
Siam Rivea Co., Ltd.	Thailand	29.99	29.99	60	5	18	2	17	2	-	-	17	2	-	-
Arbor Acres Thailand Co., Ltd.	Thailand	49.98	49.98	4	4	2	2	187	143	-	-	187	143	45	90
BHJ Kalino Food AB (“BHJ”) *	Sweden	15.08	15.08	5	5	24	24	28	30	-	-	28	30	4	2
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	658	685	-	-	658	685	-	-
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	Malaysia	49.75	49.75	353	353	176	176	1,275	1,357	-	-	1,275	1,357	-	-

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and its Subsidiaries**

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***Details of investments in associates and dividend income (Continued)***

*(Unit: Million Baht)*

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

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

#### **For the year ended 31 December 2019**

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

\*\* Ningxia Xiao Ming Animal Husbandry Co., Ltd. (“Ningxia Xiao Ming”), Qingdao Yi Bang Bio Engineering Co., Ltd. (“Qingdao Yi Bang”) and Cixi Zhuda Investment Centre Limited Partnership (“Cixi Zhuda”) are associates in which 16.07%, 12.00%, and 1.00% respectively of the total issued and paid-up share capital were held by Chia Tai Investment Co., Ltd. (“CTI”), a 52.24% indirectly owned subsidiary. Therefore, the Group accounted for its investments in Ningxia Xiao Ming, Qingdao Yi Bang and Cixi Zhuda using the equity method based on 8.40%, 6.27%, and 0.52% shareholding in the consolidated financial statements respectively. In this regard, CTI exercises significant influence in these companies by having representatives in the board of directors and involving in setting the policy and making the significant decisions for them. Therefore, the Group classified the aforementioned investments as investments in associates.

\*\*\* Zhan Jiang Deni Carburetor Co., Ltd. (“Zhanjiang Deni”) is an associate in which 28.00% of the total issued and paid-up share capital were held by Chia Tai Enterprises International Limited (“CTEI”), a 50.43% directly and indirectly owned subsidiary. In this regard, the Group accounted for its investment in Zhanjiang Deni using the equity method based on 14.12% shareholding in the consolidated financial statements.

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*Details of investments in associates and dividend income (Continued)*

(Unit: Million Baht)

	Country of operation	Separate financial statements											
		Ownership interest		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
		( <i>%)</i>											
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Non-marketable securities</i>													
Nava 84 Co., Ltd.	Thailand	25.00	25.00	1,203	1,203	159	159	-	-	159	159	-	-
C.P. Aquaculture (India) Private Limited	India	31.70	31.70	192	192	176	176	-	-	176	176	-	-
<b>Total</b>						<b>335</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>335</b>	<b>335</b>	<b>-</b>	<b>-</b>

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*Significant associates*

The following table summarises the financial information of an associate that the Group considered as material by reconciling financial information with the carrying amount of the interests in the associate as summarised below:

	<i>(Unit: Million Baht)</i>	
	CP ALL Public Company Limited and its subsidiaries	
	2019	2018
<b><i>Financial information of the associate</i></b>		
Revenue	571,110	527,860
Profit from continuing operations	22,694	21,183
Other comprehensive income	(1,274)	(632)
<b>Total comprehensive income</b>	<b>21,420</b>	<b>20,551</b>
Attributable to non-controlling interests	351	253
Attributable to the equity holder of the associate	21,069	20,298
Current assets	71,923	74,999
Non-current assets	303,694	298,748
Current liabilities	(112,917)	(123,757)
Non-current liabilities	(154,332)	(150,171)
<b>Net assets</b>	<b>108,368</b>	<b>99,819</b>
Attributable to non-controlling interests	32,038	33,397
Attributable to the equity holder of the associate	76,330	66,422
<b><i>Reconciliation of the carrying amount of the interests in the associate</i></b>		
Group's interest in net assets of the associate at 1 January	22,696	19,171
Total comprehensive income attributable to the Group	7,095	6,944
Dividends received during year	(3,624)	(3,344)
Difference from change in ownership	(322)	(75)
Group's interests in net assets of the associate at end of year	25,845	22,696
Goodwill	73,003	66,532
<b>Carrying amount of the interests in the associate at 31 December</b>	<b>98,848</b>	<b>89,228</b>

*Immaterial associates*

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated financial statements</b>	
	2019	2018
<b>Carrying amount of interests in immaterial associates</b>	<b>7,045</b>	<b>6,898</b>
Group's share of:		
- Profit from continuing operations	733	484
- Other comprehensive income	(383)	(233)
- Total comprehensive income	350	251



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Contingent liabilities relating to the investments in associates as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>
Group's share of contingent liabilities	13	14

## 15 Investments in joint ventures

Movements during the years ended 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>
At 1 January	9,596	6,949
Share of profit	637	698
Dividend income	(224)	(50)
Previous held interest in joint venture before status change to subsidiary	-	(217)
Acquisitions/additional investments	9,855	2,520
Currency translation differences	(430)	(304)
<b>At 31 December</b>	<b>19,434</b>	<b>9,596</b>

Significant investment in joint venture for the year ended 2019 was as follows:

### Investment in HyLife Group Holdings Ltd.

On 30 December 2019, CPF Canada Holdings Corp., a 100.00% owned indirect subsidiary of the Company, completed the acquisition of the entire ordinary shares in HyLife Investments Ltd. ("HIL") which owns 50.10% interest in HyLife Group Holdings Ltd. ("HyLife") for total consideration of Canada Dollar 425 million or equivalent to approximately Baht 9,736 million which was fully paid. HyLife is incorporated in Canada and principally engages in integrated swine production business. Subsequent to the completion of the transaction, CPF Canada Holdings Corp. had amalgamated with HIL, and became a new entity which assumed the name CPF Canada Holdings Corp., under the laws of British Columbia, Canada and HyLife becomes the joint venture of the Group.

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***Details of investments in joint ventures***

Investments in joint ventures as at 31 December and dividend income for the years then ended were as follows:

*(Unit: Million Baht)*

Consolidated financial statements															
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		(%)													
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Non-marketable securities															
CP-Meiji Co., Ltd. ("CP-Meiji") *	Thailand	59.99	59.99	500	500	1,200	1,200	2,414	2,235	-	-	2,414	2,235	180	-
Dak Galbi Group Co., Ltd.	Thailand	41.35	-	133	-	55	-	36	-	-	-	36	-	-	-
Andhra Pradesh Broodstock Multiplicationcentre Private Limited **	India	74.99	50.00	132	68	98	34	92	35	-	-	92	35	-	-
Beijing Chia Tai Feedmill Co., Ltd.	China	26.12	25.21	157	157	128	128	231	224	-	-	231	224	-	-
Camamor Produtos Marinhos S.A.	Brazil	40.00	40.00	103	103	566	566	496	540	-	-	496	540	-	-
CP-MP Logistics Joint Stock Company	Vietnam	32.43	31.80	16	16	8	8	7	8	-	-	7	8	-	-
Handan Chia Tai Feed Co., Ltd.	China	26.12	25.21	56	56	-	-	20	19	-	-	20	19	1	3
Henan East Chia Tai Co., Ltd.	China	26.12	25.21	170	170	225	225	231	255	-	-	231	255	40	42
HyLife Group Holdings Ltd. **	Canada	50.10	-	1,555	-	9,736	-	9,736	-	-	-	9,736	-	-	-
ECI Metro Investment Co., Ltd.	China	25.21	25.21	378	378	1,296	1,296	2,666	2,630	-	-	2,666	2,630	-	-

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***Details of investments in joint ventures (Continued)***

*(Unit: Million Baht)*

Consolidated financial statements															
	Country of operation	Ownership interest (both direct and indirect)		Paid-up share capital		Cost method		Equity method		Accumulated impairment		At equity - net		Dividend income for the year	
		( <i>%)</i>		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
SuperDrob S.A.	Poland	49.45	49.45	4,708	4,708	3,794	3,794	3,501	3,646	-	-	3,501	3,646	-	-
Westbridge Foods Holding B.V. **	Netherlands	50.00	50.00	1	1	6	6	4	4	-	-	4	4	3	5
<b>Total</b>						<b>17,112</b>	<b>7,257</b>	<b>19,434</b>	<b>9,596</b>	<b>-</b>	<b>-</b>	<b>19,434</b>	<b>9,596</b>	<b>224</b>	<b>50</b>

\* CP-Meiji is a joint venture because the articles of association of CP-Meiji specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets of CP-Meiji. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

\*\* Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Ltd. and Westbridge Foods Holding B.V. are joint ventures because each investor has joint control over significant financial and operating decisions and have rights to the net assets of Andhra Pradesh Broodstock Multiplicationcentre Private Limited, HyLife Group Holdings Co., Ltd. and Westbridge Foods Holding B.V. The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

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The Group has considered that none of the joint ventures is regarded as individually material to the Group.

*Immaterial joint ventures*

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

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2019	2018
<b>Carrying amount of interests in immaterial joint ventures</b>	<b>19,434</b>	<b>9,596</b>
Group's share of:		
- Profit from continuing operations	637	698
- Other comprehensive income	(429)	(522)
- Total comprehensive income	208	176

Contingent liabilities and commitments relating to the investments in joint ventures as at 31 December were as follows:

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	2019	2018
Group's share of the commitments	382	418

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*Details of investments in joint ventures (Continued)*

(Unit: Million Baht)

		Separate financial statements											
	Country of operation	Ownership interest (%)		Paid-up share capital		Cost method		Accumulated impairment		At cost - net		Dividend income for the year	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Non-marketable securities</i>													
Camanor Produtos													
	Brazil	40.00	40.00	103	103	566	566	-	-	566	566	-	-
	Poland	49.45	49.45	4,708	4,708	3,794	3,794	-	-	3,794	3,794	-	-
<b>Total</b>						<b>4,360</b>	<b>4,360</b>	<b>-</b>	<b>-</b>	<b>4,360</b>	<b>4,360</b>	<b>-</b>	<b>-</b>

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**16 Investments in related companies**

Movements during the years ended 31 December were as follows:

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
At 1 January	1,505	1,542	150	678
Disposal	-	-	-	(528)
Currency translation differences	(61)	(37)	-	-
<b>At 31 December</b>	<b>1,444</b>	<b>1,505</b>	<b>150</b>	<b>150</b>

***Details of investments in related companies***

Investments in related companies as at 31 December were as follows:

*(Unit: Million Baht)*

	Ownership interest (both direct and indirect) (%)		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018	2019	2018
<b><i>Non-marketable securities</i></b>						
General investments in equity securities - at cost						
CPPC Public Company Limited	6.58	6.58	110	110	55	55
C.P. Land Public Company Limited	6.49	6.49	276	276	95	95
Chia Tai (Jilin) Co., Ltd.	10.00	10.00	5	5	-	-
Kinghill Limited	13.96	13.96	1,053	1,114	-	-
<b>Total</b>			<b>1,444</b>	<b>1,505</b>	<b>150</b>	<b>150</b>

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**17 Property, plant and equipment**

(Unit: Million Baht)

	<b>Consolidated financial statements</b>					
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
<b>Cost/revaluation</b>						
At 1 January 2018	33,240	103,567	101,881	13,673	23,175	275,536
Additions	461	2,234	1,944	835	24,683	30,157
Acquired through business acquisitions	8	298	243	2	11	562
Transfers	503	12,048	9,675	908	(23,194)	(60)
Transfers from investment properties	-	52	-	-	-	52
Transfers to investment properties	(155)	-	-	-	-	(155)
Transfer to asset held for sale	(16)	(249)	(631)	(28)	-	(924)
Disposals	(50)	(776)	(2,018)	(801)	(114)	(3,759)
Currency translation differences	(543)	(5,686)	(4,726)	(601)	(1,185)	(12,741)
<b>At 31 December 2018 and 1 January 2019</b>	<b>33,448</b>	<b>111,488</b>	<b>106,368</b>	<b>13,988</b>	<b>23,376</b>	<b>288,668</b>
Additions	264	781	2,168	980	23,603	27,796
Acquired through business acquisitions	-	123	62	-	3	188
Surplus on revaluation	178	-	-	-	-	178
Transfers	262	10,066	12,339	653	(23,330)	(10)
Transfers from investment properties	-	126	8	-	-	134
Disposals	(293)	(1,956)	(2,775)	(673)	(70)	(5,767)
Currency translation differences	(370)	(4,966)	(5,612)	(738)	(952)	(12,638)
<b>At 31 December 2019</b>	<b>33,489</b>	<b>115,662</b>	<b>112,558</b>	<b>14,210</b>	<b>22,630</b>	<b>298,549</b>

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**17 Property, plant and equipment (Continued)**

(Unit: Million Baht)

<b>Consolidated financial statements</b>						
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
<b><i>Accumulated depreciation and impairment losses</i></b>						
At 1 January 2018	-	(34,325)	(43,638)	(8,513)	-	(86,476)
Depreciation charge for the year	-	(5,457)	(8,323)	(1,379)	-	(15,159)
Impairment losses	-	(35)	(13)	-	-	(48)
Transfers	-	188	832	(231)	-	789
Disposals	-	642	1,752	755	-	3,149
Currency translation differences	-	1,850	2,054	374	-	4,278
<b>At 31 December 2018 and 1 January 2019</b>	-	<b>(37,137)</b>	<b>(47,336)</b>	<b>(8,994)</b>	-	<b>(93,467)</b>
Depreciation charge for the year	-	(5,715)	(8,464)	(1,352)	-	(15,531)
Impairment losses	-	(395)	(514)	(3)	-	(912)
Transfers	-	12	(19)	5	-	(2)
Disposals	-	1,497	2,170	587	-	4,254
Currency translation differences	-	1,575	2,493	471	-	4,539
<b>At 31 December 2019</b>	-	<b>(40,163)</b>	<b>(51,670)</b>	<b>(9,286)</b>	-	<b>(101,119)</b>
<b><i>Net book value</i></b>						
Owned assets	33,240	69,242	58,189	5,136	23,175	188,982
Assets under finance leases	-	-	54	24	-	78
<b>At 1 January 2019</b>	<b>33,240</b>	<b>69,242</b>	<b>58,243</b>	<b>5,160</b>	<b>23,175</b>	<b>189,060</b>
Owned assets	33,448	72,754	58,981	4,800	23,376	193,359
Assets under finance leases	-	1,597	51	194	-	1,842
<b>At 31 December 2018 and 1 January 2019</b>	<b>33,448</b>	<b>74,351</b>	<b>59,032</b>	<b>4,994</b>	<b>23,376</b>	<b>195,201</b>
Owned assets	33,489	74,088	60,259	4,140	22,630	194,606
Assets under finance leases	-	1,411	629	784	-	2,824
<b>At 31 December 2019</b>	<b>33,489</b>	<b>75,499</b>	<b>60,888</b>	<b>4,924</b>	<b>22,630</b>	<b>197,430</b>



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**17 Property, plant and equipment (Continued)**

(Unit: Million Baht)

	Separate financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Others	Assets under construction and installation	Total
<b><i>Cost/revaluation</i></b>						
At 1 January 2018	6,529	12,830	11,927	1,197	1,147	33,630
Additions	9	11	159	38	1,153	1,370
Transfers	20	770	840	3	(1,634)	(1)
Transfers to investment properties	(155)	-	-	-	-	(155)
Disposal	(20)	(276)	(556)	(69)	-	(921)
<b>At 31 December 2018 and 1 January 2019</b>	<b>6,383</b>	<b>13,335</b>	<b>12,370</b>	<b>1,169</b>	<b>666</b>	<b>33,923</b>
Additions	-	-	125	32	588	745
Transfers	-	570	190	3	(764)	(1)
Disposal	-	(1,369)	(1,267)	(160)	(3)	(2,799)
<b>At 31 December 2019</b>	<b>6,383</b>	<b>12,536</b>	<b>11,418</b>	<b>1,044</b>	<b>487</b>	<b>31,868</b>
<b><i>Accumulated depreciation and impairment losses</i></b>						
At 1 January 2018	-	(7,664)	(8,066)	(1,060)	-	(16,790)
Depreciation charge for the year	-	(839)	(819)	(63)	-	(1,721)
Disposals	-	224	517	66	-	807
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>(8,279)</b>	<b>(8,368)</b>	<b>(1,057)</b>	<b>-</b>	<b>(17,704)</b>
Depreciation charge for the year	-	(687)	(741)	(52)	-	(1,480)
Disposals	-	1,109	1,143	156	-	2,408
<b>At 31 December 2019</b>	<b>-</b>	<b>(7,857)</b>	<b>(7,966)</b>	<b>(953)</b>	<b>-</b>	<b>(16,776)</b>
<b><i>Net book value</i></b>						
Owned assets	6,529	5,166	3,861	137	1,147	16,840
<b>At 1 January 2018</b>	<b>6,529</b>	<b>5,166</b>	<b>3,861</b>	<b>137</b>	<b>1,147</b>	<b>16,840</b>
Owned assets	6,383	5,056	4,002	112	666	16,219
<b>At 31 December 2018 and 1 January 2019</b>	<b>6,383</b>	<b>5,056</b>	<b>4,002</b>	<b>112</b>	<b>666</b>	<b>16,219</b>
Owned assets	6,383	4,679	3,452	91	487	15,092
<b>At 31 December 2019</b>	<b>6,383</b>	<b>4,679</b>	<b>3,452</b>	<b>91</b>	<b>487</b>	<b>15,092</b>

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 52,755 million (2018: Baht 51,512 million) in the consolidated statement of financial position, and Baht 9,622 million (2018: Baht 10,514 million) in the separate statement of financial position.

Capitalised borrowing cost in 2019 of the Group and the Company in accordance with acquisition of property, plant and equipment amounted to Baht 620 million and Baht 8 million respectively (2018: Baht 836 million and Baht 18 million respectively) is recognised as a part of cost of assets.

**Fair value measurement**

Appraisal prices of the Group and the Company's land were valued by the independent professional valuers using Market Comparison Approach, at fair market values totalling Baht 33,489 million and Baht 6,383 million respectively (2018: Baht 33,448 million and Baht 6,383 million respectively).

The fair value measurement for the land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Market comparison approach	Quotation and actual sales prices of comparable land adjusted by other factors.	The estimated fair value increases (decreases) if the price per area increases (decreases).

**18 Goodwill**

	<i>(Unit: Million Baht)</i>	
	<b>Consolidated</b>	
	<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>
<b>Cost</b>		
At 1 January	95,943	99,522
Acquired through business acquisitions	2	102
Fair value adjustments	(1)	(92)
Currency translation differences	(6,002)	(3,589)
<b>At 31 December</b>	<b>89,942</b>	<b>95,943</b>
<b>Impairment loss</b>		
At 1 January	(515)	-
Impairment loss	(1,665)	(515)
<b>At 31 December</b>	<b>(2,180)</b>	<b>(515)</b>
<b>Net book value</b>		
At 1 January	<b>95,428</b>	<b>99,522</b>
At 31 December	<b>87,762</b>	<b>95,428</b>

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Goodwill is allocated to cash-generating unit by segment and countries of operation. Goodwill was mainly arising from the acquisitions of shares of C.P. Pokphand Co., Ltd., Chia Tai Enterprises International Limited, JSC Poultry Production Severnaya and Bellisio Parent, LLC.

***Impairment testing***

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

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

***Budgeted future cash flow that the Group expects to receive***

Budgeted 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.

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**19 Other intangible assets**

(Unit: Million Baht)

	<b>Consolidated financial statements</b>				
	Development cost of software applications	Development cost of products	Customer relationships	Trademarks, rights and others	Total
<b>Cost</b>					
At 1 January 2018	719	1,950	7,110	12,140	21,919
Additions	25	-	-	1,098	1,123
Acquired through business acquisitions	-	-	55	92	147
Transfers	28	-	-	5	33
Disposals	-	-	-	(6)	(6)
Currency translation differences	(20)	(32)	(207)	(588)	(847)
<b>At 31 December 2018 and 1 January 2019</b>	<b>752</b>	<b>1,918</b>	<b>6,958</b>	<b>12,741</b>	<b>22,369</b>
Additions	45	58	-	98	201
Acquired through business acquisitions	-	-	342	-	342
Transfers	24	-	-	(17)	7
Disposals	(32)	-	-	(24)	(56)
Currency translation differences	(29)	(152)	(579)	(936)	(1,696)
<b>At 31 December 2019</b>	<b>760</b>	<b>1,824</b>	<b>6,721</b>	<b>11,862</b>	<b>21,167</b>
<b>Accumulated amortisation</b>					
At 1 January 2018	(435)	(139)	(780)	(4,080)	(5,434)
Amortisation charge for the year	(63)	(128)	(507)	(489)	(1,187)
Transfers	-	-	-	1	1
Disposals	-	-	-	4	4
Currency translation differences	9	7	67	376	459
<b>At 31 December 2018 and 1 January 2019</b>	<b>(489)</b>	<b>(260)</b>	<b>(1,220)</b>	<b>(4,188)</b>	<b>(6,157)</b>
Amortisation charge for the year	(58)	(124)	(475)	(476)	(1,133)
Transfers	-	-	-	1	1
Disposals	32	-	-	4	36
Currency translation differences	22	25	109	335	491
<b>At 31 December 2019</b>	<b>(493)</b>	<b>(359)</b>	<b>(1,586)</b>	<b>(4,324)</b>	<b>(6,762)</b>
<b>Net book value</b>					
At 1 January 2018	284	1,811	6,330	8,060	16,485
At 31 December 2018 and 1 January 2019	263	1,658	5,738	8,553	16,212
At 31 December 2019	267	1,465	5,135	7,538	14,405

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**19 Other intangible assets (Continued)**

(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Others	Total
<b>Cost</b>			
At 1 January 2018	7	102	109
Additions	-	3	3
Transfer	-	1	1
<b>At 31 December 2018 and 1 January 2019</b>	<b>7</b>	<b>106</b>	<b>113</b>
Additions	-	3	3
Transfer	-	1	1
Disposals	-	(4)	(4)
<b>At 31 December 2019</b>	<b>7</b>	<b>106</b>	<b>113</b>
<b>Accumulated amortisation</b>			
At 1 January 2018	(6)	(66)	(72)
Amortisation charge for the year	-	(8)	(8)
<b>At 31 December 2018 and 1 January 2019</b>	<b>(6)</b>	<b>(74)</b>	<b>(80)</b>
Amortisation charge for the year	-	(7)	(7)
Disposals	-	2	2
<b>At 31 December 2019</b>	<b>(6)</b>	<b>(79)</b>	<b>(85)</b>
<b>Net book value</b>			
<b>At 1 January 2018</b>	<b>1</b>	<b>36</b>	<b>37</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>1</b>	<b>32</b>	<b>33</b>
<b>At 31 December 2019</b>	<b>1</b>	<b>27</b>	<b>28</b>

The gross amount of the Group's and the Company's fully amortised intangible assets that were still in use as at 31 December 2019 amounted to Baht 957 million in the consolidated statement of financial position, and Baht 44 million in the separate statement of financial position (2018: Baht 892 million and Baht 36 million respectively).

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**20 Interest-bearing liabilities**

		<i>(Unit: Million Baht)</i>			
<i>Note</i>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b><i>Current</i></b>				
	Bank overdrafts	1,717	1,435	3	3
	Short-term borrowings from financial institutions	70,487	59,877	2,850	-
	Bills of exchange	21,818	32,244	16,339	17,204
	Short-term borrowings from joint ventures	6	657	661	-
	Short-term borrowing from subsidiary	6	-	-	6,500
	<b>Total</b>	<b>94,679</b>	<b>94,217</b>	<b>25,692</b>	<b>17,207</b>
	<b>Current portion of long-term debts</b>				
	Long-term borrowings from financial institutions	21,144	13,778	260	-
	Debentures	21,260	13,190	16,260	8,500
	Liabilities under finance leases	324	160	-	-
	<b>Total</b>	<b>42,728</b>	<b>27,128</b>	<b>16,520</b>	<b>8,500</b>
	<b>Total current</b>	<b>137,407</b>	<b>121,345</b>	<b>42,212</b>	<b>25,707</b>
	<b><i>Non-current</i></b>				
	Long-term borrowings from financial institutions	58,634	67,725	2,968	2,879
	Debentures	132,592	136,501	76,240	92,500
	Exchangeable Bonds	2,797	3,042	-	-
	Liabilities under finance leases	2,472	1,680	-	-
	<b>Total</b>	<b>196,495</b>	<b>208,948</b>	<b>79,208</b>	<b>95,379</b>
	<b>Total non-current</b>	<b>196,495</b>	<b>208,948</b>	<b>79,208</b>	<b>95,379</b>
	<b>Grand total</b>	<b>333,902</b>	<b>330,293</b>	<b>121,420</b>	<b>121,086</b>

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The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Functional currencies of each company in the Group	321,806	314,342	118,192	118,207
Foreign currencies				
- United States Dollar	11,886	15,618	3,228	2,879
- Euro	149	333	-	-
- Canada Dollar	61	-	-	-
<b>Total</b>	<b>333,902</b>	<b>330,293</b>	<b>121,420</b>	<b>121,086</b>

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Within one year	137,083	121,185	42,212	25,707
After one year but within five years	118,861	133,272	35,753	43,800
After five years	75,162	73,996	43,455	51,579
<b>Total</b>	<b>331,106</b>	<b>328,453</b>	<b>121,420</b>	<b>121,086</b>

As at 31 December 2019, certain foreign subsidiaries had secured long-term borrowings totalling Baht 14,590 million (2018: Baht 16,835 million) which were pledged by various assets as collateral including property, plant and equipment with net book value of Baht 13,558 million (2018: Baht 13,021 million), current and non-current assets mainly comprising of leasehold right, inventories and net accounts receivable and payable, with carrying amount of Baht 4,641 million (2018: Baht 4,434 million), ordinary shares of a foreign subsidiary registered and traded in Stock Exchange of Hong Kong with fair value of Baht 3,019 million (2018: Baht 3,415 million) and other ordinary shares of foreign subsidiaries with an issued and paid-up capital of 1,150 million (2018: Baht 1,110 million).

***Long-term borrowings from financial institutions***

As at 31 December 2019, the Group had significant borrowing agreements with financial institutions as follows:

**CPF Investment Limited (“CPFI”)**

CPFI, a 100.00% owned subsidiary of the Company had secured long-term borrowing agreements with various financial institutions. Details are as follows:

<u>Borrowing agreements</u>	<u>Credit facilities</u>	<u>Interest rate per annum</u>	<u>Term of payment</u>
Facility 1	U.S. Dollar 90 million	LIBOR plus specified rate	Every 6 months, mature in 2022
Facility 2	U.S. Dollar 880 million	LIBOR plus specified rate	Every 6 months, mature in 2023

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<u>Borrowing agreements</u>	<u>Credit facilities</u>	<u>Interest rate per annum</u>	<u>Term of payment</u>
Facility 3	U.S. Dollar 130 million	LIBOR plus specified rate	Every 6 months, mature in 2023
Facility 4	U.S. Dollar 800 million	LIBOR plus specified rate	Every 6 months, mature in 2024

CPFI used the above long-term borrowing facilities to finance investing activity and for general corporate operations. In this regard, CPFI must comply with the covenants as specified in the agreement.

**C.P. Pokphand Co., Ltd. (“CPP”)**

CPP, a 52.24% owned subsidiary of the Group, entered into a long-term loan agreement with various financial institutions (“the agreement”) amounting to U.S. Dollar 600 million.

Detail of the agreement is as follows:

<u>Credit facility</u>	<u>Interest rate per annum</u>	<u>Term of payment</u>
U.S. Dollar 600 million	LIBOR plus specified rate	Every 6 months, mature in 2021

CPP fully drew down the above long-term borrowing for loan repayment and investing activity and/or general corporate operations of CPP. In this regard, CPP must comply with the covenants as specified in the agreement.

**Debentures**

As at 31 December, the Company and certain subsidiaries had debentures as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b><u>financial statements</u></b>		<b><u>financial statements</u></b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Charoen Pokphand Foods Public Company Limited (the “Company”)</b>				
Debentures #1/2011	7,000	7,000	7,000	7,000
Debenture #2/2011	6,000	6,000	6,000	6,000
Debentures #2/2012	9,000	15,000	9,000	15,000
Debentures #2/2013	5,500	8,000	5,500	8,000
Debentures #1/2015	12,000	12,000	12,000	12,000
Debentures #2/2015	6,940	6,940	6,940	6,940
Debentures #1/2016	9,060	9,060	9,060	9,060
Debentures #1/2018	12,000	12,000	12,000	12,000
Debentures #2/2018	25,000	25,000	25,000	25,000
<b>Total</b>	<b>92,500</b>	<b>101,000</b>	<b>92,500</b>	<b>101,000</b>
<b>CPF (Thailand) Public Company Limited (“CPFTH”)</b>				
Debentures #1/2016	16,000	16,000	-	-
Debentures #2/2016	13,000	13,000	-	-
Debentures #1/2018	15,000	15,000	-	-
Debentures #1/2019	17,000	-	-	-
<b>Total</b>	<b>61,000</b>	<b>44,000</b>	<b>-</b>	<b>-</b>



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***Debentures (Continued)***

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>		
<b>C.P. Foods Holdings Limited (“CPFH”)</b>				
Exchangeable Bonds	2,797	3,042	-	-
<b>Total</b>	<b>2,797</b>	<b>3,042</b>	<b>-</b>	<b>-</b>
<b>Chia Tai Investment Co., Ltd. (“CTI”)</b>				
Debenture	352	4,691	-	-
<b>Total</b>	<b>352</b>	<b>4,691</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>156,649</b>	<b>152,733</b>	<b>92,500</b>	<b>101,000</b>
<i>Less current portion</i>	<i>(21,260)</i>	<i>(13,190)</i>	<i>(16,260)</i>	<i>(8,500)</i>
<b>Net</b>	<b>135,389</b>	<b>139,543</b>	<b>76,240</b>	<b>92,500</b>

Details of debentures of the Company are as follows:

***Debentures # 1/2011***

On 19 August 2011, the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form with debenture holder representative. The debentures are divided into:

- The first series of Baht 3 billion with a term of 7 years, bearing interest at the fixed rate of 4.65% per annum, was matured on 19 August 2018.
- The second series of Baht 3 billion with a term of 10 years, bearing interest at the fixed rate of 4.87% per annum.
- The third series of Baht 4 billion with a term of 30 years, bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right at the end of year 15.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 19 August 2011.

***Debenture # 2/2011***

On 21 December 2011, the Company issued Baht 6 billion unsubordinated and unsecured debenture in registered name form with debenture holder representative, a term of 30 years and bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right at the end of year 15.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 21 December 2011.

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***Debentures # 2/2012***

On 3 August 2012, the Company issued Baht 15 billion unsubordinated and unsecured debentures in registered name form with debenture holder representative. The debentures are divided into:

- The first series of Baht 6 billion with a term of 7 years and bearing interest at the fixed rate of 4.35% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the seventh year, was matured on 3 August 2019.
- The second series of Baht 4 billion with a term of 10 years, fully repayable on 3 August 2022 and bearing interest at the fixed rate of 4.40% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the ninth year and 6.00% per annum in the tenth year.
- The third series of Baht 5 billion with a term of 20 years, fully repayable on 3 August 2032 and bearing interest at the fixed rate of 5.30% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 3 August 2012.

***Debentures # 2/2013***

On 2 August 2013, the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form without debenture holder representative. The debentures are divided into:

- The first series of Baht 2 billion with a term of 4 years, bearing interest at the fixed rate of 4.04% per annum, was matured on 2 August 2017.
- The second series of Baht 2.5 billion with a term of 6 years, bearing interest at the fixed rate of 4.54% per annum, was matured on 2 August 2019.
- The third series of Baht 5.5 billion with a term of 8 years, bearing interest at the fixed rate of 4.90% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 2 August 2013.

***Debentures # 1/2015***

On 13 May 2015, the Company issued Baht 12 billion unsubordinated and unsecured debentures in registered name and with debenture holder representative. The debentures are divided into:

- The first series of Baht 6.5 billion with the term of 5 years, bearing interest at the fixed rate of 3.21% per annum.
- The second series of Baht 5.5 billion with the term of 8 years, bearing interest at the fixed rate of 3.98% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 13 May 2015.

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***Debentures # 2/2015***

On 29 July 2015, the Company issued Baht 6.94 billion unsubordinated and unsecured debentures in registered name and without debenture holder representative. The debentures are divided into:

- The first series of Baht 1.94 billion with the term of 8 years, bearing interest at the fixed rate of 3.97% per annum.
- The second series of Baht 3 billion with the term of 10 years, bearing interest at the fixed rate of 4.28% per annum.
- The third series of Baht 2 billion with the term of 12 years, bearing interest at the fixed rate of 4.51% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 29 July 2015.

***Debentures # 1/2016***

On 12 April 2016, the Company issued Baht 9.06 billion unsubordinated and unsecured debentures in registered name and without debenture holder representative. The debentures are divided into:

- The first series of Baht 3.06 billion with a term of 4 years, bearing interest at the fixed rate of 2.28% per annum.
- The second series of Baht 3.5 billion with a term of 8 years, bearing interest at the fixed rate of 3.11% per annum.
- The third series of Baht 2.5 billion with a term of 15 years, bearing interest at the fixed rate of 3.73% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 12 April 2016.

***Debentures # 1/2018***

On 24 January 2018, the Company issued Baht 12 billion unsubordinated and unsecured debentures in registered name and with debenture holder representative. The debentures are divided into:

- The first series of Baht 5.46 billion with a term of 7 years, bearing interest at the fixed rate of 3.05% per annum.
- The second series of Baht 6.54 billion with a term of 10 years, bearing interest at the fixed rate of 3.60% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 24 January 2018.

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***Debentures # 2/2018***

On 15 November 2018, the Company issued Baht 25 billion unsubordinated and unsecured debentures in registered name and with debenture holder representative. The debentures are divided into:

- The first series of Baht 6.7 billion with the term of 2 years, bearing interest at the fixed rate of 2.74% per annum.
- The second series of Baht 7.6 billion with the term of 3 years and 6 months, bearing interest at the fixed rate of 3.20% per annum.
- The third series of Baht 2.2 billion with the term of 6 years, bearing interest at the fixed rate of 3.79% per annum.
- The fourth series of Baht 3.2 billion with the term of 10 years, bearing interest at the fixed rate of 4.41% per annum.
- The fifth series of Baht 5.3 billion with the term of 12 years, bearing interest at the fixed rate of 4.66% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 15 November 2018.

In this regard, the Company must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio in the semi-annual and annual consolidated financial statements and separate financial statements throughout the terms of debentures, etc.

**Details of debentures of CPFTH are as follows:**

***Debentures # 1/2016***

On 20 January 2016, CPFTH issued Baht 16 billion unsubordinated and unsecured debentures in registered name without debenture holder representative. The debentures are divided into:

- The first series of Baht 7.45 billion with the term of 5 years, bearing interest at the fixed rate of 3.10% per annum.
- The second series of Baht 2.15 billion with the term of 7 years, bearing interest at the fixed rate of 3.47% per annum.
- The third series of Baht 3.35 billion with the term of 10 years, bearing interest at the fixed rate of 3.87% per annum.
- The fourth series of Baht 3.05 billion with the term of 12 years, bearing interest at the fixed rate of 4.15% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 20 January 2016.

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***Debentures # 2/2016***

On 15 July 2016, CPFTH issued Baht 13 billion unsubordinated and unsecured debentures in registered name without debenture holder representative. The debentures are divided into:

- The first series of Baht 5 billion with the term of 4 years, bearing interest at the fixed rate of 2.51% per annum.
- The second series of Baht 3.3 billion with the term of 7 years, bearing interest at the fixed rate of 3.09% per annum.
- The third series of Baht 1.4 billion with the term of 10 years, bearing interest at the fixed rate of 3.46% per annum.
- The fourth series of Baht 1.1 billion with the term of 12 years, bearing interest at the fixed rate of 3.65% per annum.
- The fifth series of Baht 2.2 billion with the term of 15 years, bearing interest at the fixed rate of 3.95% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 15 July 2016.

***Debentures # 1/2018***

On 24 May 2018, CPFTH issued Baht 15 billion unsubordinated and unsecured debentures in registered name with debenture holder representative. The debentures are divided into:

- The first series of Baht 4.5 billion with the term of 3 years, bearing interest at the fixed rate of 2.43% per annum.
- The second series of Baht 4 billion with the term of 6 years, bearing interest at the fixed rate of 3.24% per annum.
- The third series of Baht 3.5 billion with the term of 12 years, bearing interest at the fixed rate of 4.16% per annum.
- The fourth series of Baht 3 billion with the term of 15 years, bearing interest at the fixed rate of 4.43% per annum.

The debentures had latest credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 24 May 2018.

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***Debentures # 1/2019***

On 30 May 2019, CPFTH issued Baht 17 billion unsubordinated and unsecured debentures in registered name with debenture holder representative. The debentures are divided into:

- The first series of Baht 4 billion with the term of 4 years, bearing interest at the fixed rate of 2.91% per annum.
- The second series of Baht 2 billion with the term of 6 years, bearing interest at the fixed rate of 3.34% per annum.
- The third series of Baht 0.5 billion with the term of 8 years, bearing interest at the fixed rate of 3.65% per annum.
- The fourth series of Baht 4 billion with the term of 10 years, bearing interest at the fixed rate of 4.00% per annum.
- The fifth series of Baht 6.5 billion with the term of 12 years, bearing interest at the fixed rate of 4.18% per annum.

The debentures had a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 8 May 2019 and were registered with the Thai Bond Market Association on 30 May 2019.

In this regard, CPFTH must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio in the annual separate financial statements throughout the terms of debentures.

**Details of Exchangeable Bonds of C.P. Foods Holdings Limited (“CPFH”) are as follows:**

***Exchangeable Bonds***

On 12 September 2016, the Board of Directors of CPFH, a 100% owned subsidiary of the Company, passed a resolution to approve CPFH to issue and offer U.S. Dollar 300 million 0.5% Exchangeable Bonds due 2021 (“EBs”). The EBs holders can exchange the EBs into a pro rata share of the Exchange Property with a sponsor undertaking from the Company. The Exchange Property, at the EBs issue date, initially comprised 135,285,000 shares in CP ALL Public Company Limited (“CPALL Shares”), which belong to CPFH and which were deposited with the Custody Account with a financial institution pursuant to the details set out in the terms and conditions of the EBs. Under the terms and conditions of the EBs, the EB holders have the options to (1) exchange the EBs into CPALL Shares as held by CPFH, or (2) put the EBs to CPFH on the date falling 2 years from the issue date of the EBs, or (3) hold the EBs until maturity, whereby in the case of (2) and (3) CPFH will repay the EB holders in cash. In accordance with the terms and conditions of the EBs, where the EB holders exercise the exchange right, CPFH has to deliver CPALL Shares to the EBs holders or redeem the EBs using cash of equivalent market value of CPALL Shares. The initial exchange ratio of EBs is 90,190 CPALL Shares for each U.S. Dollar 200,000 principal amount of EBs (1 CPALL Share equivalent to Baht 77.35 (rounded up) at the exchange rate U.S. Dollar 1: Baht 34.881). In addition, CPFH, as the EBs issuer, has option to early redeem the whole amount of the EBs as specified in the terms and conditions of the EBs.

The issuance and offering of the EBs was completed on 22 September 2016 and the EBs were listed on Singapore Exchange Securities Trading Limited on 23 September 2016.

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During the year 2019, CPFH derecognised the EBs with an aggregate principal amount of U.S. Dollar 2 million or equivalent to Baht 61 million (2018: U.S. Dollar 144 million or equivalent to Baht 4,580 million) on the Exchange Date and recognised the related transactions as a result of the exercise of exchange rights by the holders of the EBs into ordinary shares of CPALL as an exchange property, pursuant to the terms and conditions of the EBs. In this regard, CPFH delivered CPALL shares to the EBs holders in relation to the aggregate principal amount of the EBs for a pro rata share which the holders of the EBs exercised their exchange rights within the specified period.

As at 31 December 2019, the carrying amount of the EBs after derecognition were U.S. Dollar 94 million or equivalent to Baht 2,797 million (2018: U.S. Dollar 94 million or equivalent to Baht 3,042 million).

**Details of debenture of Chia Tai Investment Company Limited (“CTI”) are as follows:**

***The First Tranche of Domestic Bonds (“Debenture”)***

On 14 November 2016 CTI, a 52.24% indirectly owned subsidiary, issued a debenture with total aggregate value of Renminbi 1 billion with 3.69% interest rate per annum due in 2021. The debenture holders have the redemption right from CTI on the third years from the issuing date.

The debentures were listed on Shanghai Exchange Securities Trading Limited on 29 November 2016 with latest credit rating of “AA” rated by China Chengxin Securities Rating Co., Ltd. on 25 June 2019.

During the year 2019, CTI derecognised the debenture amount of Renminbi 918 million or approximately Baht 3,944 million as the debenture holders exercised their redemption rights to the terms and conditions of the debenture.

As at 31 December 2019, the carrying amount of the debenture after derecognition were Renminbi 82 million or equivalent to Baht 352 million (2018: Renminbi 998 million or equivalent to Baht 4,691 million).

**21 Accounts payable - trade and others**

	Note	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
		2019	2018	2019	2018
Related parties	6	5,590	4,905	250	234
Other parties		26,594	30,554	919	1,012
<b>Total</b>		<b>32,184</b>	<b>35,459</b>	<b>1,169</b>	<b>1,246</b>

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The currency denomination of accounts payable - trade and others as at 31 December was as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Functional currencies of each company in the Group	28,517	30,302	1,163	1,243
Foreign currencies				
- United States Dollar	2,972	3,786	6	3
- Euro	501	1,195	-	-
- Yen	48	47	-	-
- Zloty	45	51	-	-
- Others	101	78	-	-
<b>Total</b>	<b><u>32,184</u></b>	<b><u>35,459</u></b>	<b><u>1,169</u></b>	<b><u>1,246</u></b>

## 22 Provisions for employee benefits

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

A foreign subsidiary established a retirement fund with a financial institution, and the retirement fund is managed by the financial institution.

Employee benefit obligations as at 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Present value of funded - defined benefit obligations	543	536	-	-
Fair value of plan assets	(331)	(324)	-	-
	<b><u>212</u></b>	<b><u>212</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Present value of unfunded - defined benefit obligations	9,384	5,754	2,726	1,689
<b>Total</b>	<b><u>9,596</u></b>	<b><u>5,966</u></b>	<b><u>2,726</u></b>	<b><u>1,689</u></b>



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

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Defined benefit obligations at 1 January	6,290	6,106	1,689	1,620
Benefits paid by the plans	(394)	(427)	(262)	(88)
Current service costs and interest	825	648	205	157
Past service costs	2,126	-	680	-
Defined benefit plan actuarial losses	1,160	52	414	-
Others	(80)	(89)	-	-
<b>Defined benefit obligations at 31 December</b>	<b>9,927</b>	<b>6,290</b>	<b>2,726</b>	<b>1,689</b>
Fair value of plan assets at 1 January	324	337	-	-
Expected return on plan assets	2	3	-	-
Defined benefit plan actuarial gains	12	10	-	-
Contributions paid	23	25	-	-
Benefits paid by the plans	(11)	(39)	-	-
Currency translation differences	(19)	(12)	-	-
<b>Fair value of plan assets at 31 December</b>	<b>331</b>	<b>324</b>	<b>-</b>	<b>-</b>

Expenses or income recognised in the statement of income for the years ended 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Current service costs	606	450	144	100
Interest costs	219	198	61	57
Past service costs	2,126	-	680	-
Expected return on plan assets	(2)	(3)	-	-
<b>Total</b>	<b>2,949</b>	<b>645</b>	<b>885</b>	<b>157</b>

On 5 April 2019, the Labor Protection Act in Thailand was announced in Royal Gazette, Section 15 of the Labor Protection Act includes a requirement for the employer to make severance payment of not less than 400 days of wages at the most recent rate for an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more. The Group has therefore amended its retirement plan and recognised the increase in the provision for retirement benefits as well as past service cost in accordance with the changes in the Labor Protection.

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Actuarial gains (losses) recognised in other comprehensive income for the years ended 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Included in retained earnings:				
At 1 January	247	299	228	228
Recognised during the year	(1,079)	(52)	(331)	-
<b>At 31 December</b>	<b>(832)</b>	<b>247</b>	<b>(103)</b>	<b>228</b>

Principal actuarial assumptions at 31 December were as follows:

	<b>Consolidated</b>		<i>(Unit: %)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
Discount rate	0.65 - 13.50	0.75 - 13.50	2.50	3.00
Future salary increases	2.00 - 9.00	2.00 - 9.00	3.00 - 6.50	3.00 - 6.50

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

As at 31 December 2019, the weighted-average duration of the defined benefit obligation was 9 years (2018: 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.

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Increase	Decrease	Increase	Decrease
<b>Defined benefit obligation</b>				
<b>as at 31 December 2019</b>				
Discount rate (1% movement)	(683)	794	(201)	233
Future salary change (1% movement)	760	(671)	222	(196)
<b>Defined benefit obligation</b>				
<b>as at 31 December 2018</b>				
Discount rate (1% movement)	(648)	755	(180)	211
Future salary change (1% movement)	723	(634)	201	(176)

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**23 Additional paid-in capital and reserves**

***Premium on ordinary shares***

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

***Equity in subsidiaries and associates***

Equity in subsidiaries and associates consist of:

- (a) The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.
- (b) The changes in interest in equity of associates.

***Other components of equity***

***1) Revaluation differences on assets***

Revaluation differences on assets recognised in equity relate to cumulative surpluses arising from the revaluations of freehold land until such assets are disposed.

***2) Currency translation differences***

The currency translation differences recognised in equity relate to:

- (a) Foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.
- (b) Foreign exchange differences arising from translation of monetary items, which are part of the Group's net investment in foreign operations when certain conditions are met.

***3) Fair value changes on investments held as available-for-sale investments***

The fair value changes account within equity comprises the cumulative net change in the fair value of investments held as available for sale until the disposal of investments.

Revaluation differences on assets, currency translation differences and fair value changes on investments are presented net of deferred tax.

***Surplus on common control transactions***

Surplus on common control transactions recognised in equity relate to differences between the carrying amount of net assets and the consideration received from the transfer of the carrying amounts of assets and liabilities of certain parts of the Company's business to a subsidiary. In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

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*Appropriate of profit and/or retained earnings*

*Legal reserve*

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. Legal reserve is not available for dividend distribution.

As at 31 December 2019, the Company has the legal reserve totalling Baht 929 million (2018: Baht 929 million).

**24 Subordinated perpetual debentures**

On 2 March 2017 the Company issued subordinated perpetual debentures which is similar to equity with one-time payment upon dissolution of the Company or upon the exercise of the Company’s early redemption right (“Debentures”) of Baht 15,000 million. The debentures were in registered name form, unsecured and unconvertible with debenture holder representative and the Company had the early redemption right pursuant to the terms and conditions of the debentures. The Debentures’ interest rates during the first year to the fifth year is 5%, and after the fifth year the interest rate is adjusted every 5 years based on: (1) 5-year government bond yield, (2) Initial Credit Spread, and (3) percentage as stipulated in the prospectus; and will be paid on a semi-annual basis. In this regard, the Company has the sole right to unconditionally defer interest and cumulative interest payments without limitation on deferral period and times at the sole discretion of the Company. If the Company defers interest and cumulative interest payment, the Company shall not perform as follows:

- (a) declare or pay any dividend,
- (b) pay any interest or distribute any assets to any holder of Parity Securities or Junior Securities; and
- (c) redeem, reduce, cancel, acquire, or buy-back any of any securities issued by the Company which rank *pari passu* or junior to these Debentures.

During the year 2019, the Company paid interest to the Debentures holders amount of Baht 750 million (2018: Baht 750 million). The interest expense net of income tax of Baht 701 million (2018: Baht 605 million) was deducted from unappropriated retained earnings in the statements of financial position as at 31 December 2019.

As at 31 December 2019, the accumulated accrued interest expenses subsequent to the latest interest payment date was Baht 249 million (2018: Baht 249 million).

As at 31 December 2019, the Company classified subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. TAS 32 *Financial instruments: Presentation*, which will become effective for annual financial reporting periods beginning on or after 1 January 2020, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions issued the Announcement of Federation of Accounting Professions dated 3 December 2019 regarding *additional transition for classification of perpetual bonds* as an additional guideline during the transition period. The Company expects to apply this announcement which, as at 1 January 2020, the Company will classify the subordinated perpetual debentures as part of equity in the consolidated and separate financial statements. If, as at 1 January 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities of the Group and the Company will increase by Baht 15,000 million and total shareholders’ equity will decrease by Baht 15,000 million.

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**25 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 : Livestock business  
Segment 2 : Aquaculture business

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

	<i>(Unit: Million Baht)</i>					
	<b>Consolidated financial statements</b>					
	Livestock business		Aquaculture business		Total	
	2019	2018	2019	2018	2019	2018
<b><i>Statements of income</i></b>						
Revenue from sale of goods	457,937	467,425	74,636	74,512	532,573	541,937
Operating profit	25,145	18,984	5,092	5,567	30,237	24,551
Central income, net					4,209	6,649
Finance costs					(13,785)	(11,703)
Net foreign exchange losses					(10)	(203)
Share of profit of associates and joint ventures					8,893	8,343
Income tax expense					(5,446)	(6,212)
<b>Profit for the year</b>					<b>24,098</b>	<b>21,425</b>
<b><i>Assets</i></b>						
Property, plant and equipment and intangible assets (excluded goodwill), net	180,329	177,841	30,211	32,030	210,540	209,871
Central assets, net					1,295	1,542
Other assets					422,216	416,678
<b>Total</b>					<b>634,051</b>	<b>628,091</b>

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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
- Area 3 : Europe
- Area 4 : America
- Area 5 : Others

Detail 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>			
		<b>Consolidated financial statements</b>			
		Revenue from external customers		Property, plant and equipment and intangible assets (excluded goodwill) and central assets	
		2019	2018	2019	2018
Thailand		143,910	149,178	83,376	82,362
Asia		307,537	313,241	93,683	93,690
Europe		55,484	54,413	16,939	16,795
America		24,431	23,789	17,837	18,566
Others		1,211	1,316	-	-
<b>Total</b>		<b>532,573</b>	<b>541,937</b>	<b>211,835</b>	<b>211,413</b>

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***Information about major customer***

During the year 2019 and 2018, there were no single external customer that contributed 10% or more of the Group's total revenue.

***Disaggregation of revenue***

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

*(Unit: Million Baht)*

	<b>Consolidated financial statements</b>					
	Livestock business		Reportable segments Aquaculture business		Total	
	2019	2018	2019	2018	2019	2018
<b>Categories of main products</b>						
Animal feed	154,592	183,819	45,275	45,720	199,867	229,539
Animal farm products	213,481	199,496	22,460	22,038	235,941	221,534
Processed foods and ready meals	89,864	84,110	6,901	6,754	96,765	90,864
<b>Total</b>	<b>457,937</b>	<b>467,425</b>	<b>74,636</b>	<b>74,512</b>	<b>532,573</b>	<b>541,937</b>

*(Unit: Million Baht)*

	<b>Separate financial statements</b>	
	Reportable segment Aquaculture business	
	2019	2018
<b>Categories of main products</b>		
Animal feed	13,290	13,980
Animal farm products	8,811	9,565
Processed foods and ready meals	2,361	2,476
<b>Total</b>	<b>24,462</b>	<b>26,021</b>

***Contract Balances***

As at 31 December 2019, the Group had contract liabilities of Baht 2,825 million (*31 December 2018: 3,069 million*), which represents the obligation to transfer goods to customers for which the consideration has been received.

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers. The outstanding balance of contract liabilities is included in the accounts "other current liabilities" in the consolidated statement of financial position as at 31 December 2019.

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**26 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, and sub-committees' remuneration totalling Baht 1,384 million and Baht 184 million in the consolidated and separate statements of income for the year ended 31 December 2019 respectively (*2018: Baht 1,506 million and Baht 232 million respectively*).
- (b) Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totalling Baht 58,934 million and Baht 6,745 million in the consolidated and separate statements of income for the year ended 31 December 2019 respectively (*2018: Baht 54,616 million and Baht 6,331 million respectively*).

**27 Expenses by nature**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Changes in finished goods, work in progress and biological assets	(3,288)	(4,722)	281	154
Raw materials and consumables used	348,976	376,024	12,468	13,995
Employee benefit expenses	60,318	56,122	6,929	6,563
Factory and office expenses	43,696	41,122	4,182	4,187
Depreciation and amortisation	16,939	16,673	1,487	1,729
Transportation expenses	12,716	11,635	510	502
Building and equipment rental fees	6,777	6,379	357	399
Vehicle and traveling expenses	3,964	3,920	232	230
Advertising, public relationship and sale promotion expenses	3,243	3,391	94	142
Taxes, government and bank fees	2,191	2,135	42	54
Professional fees	900	1,212	47	120
Losses from sale and disposal of assets	422	135	324	20
Others	14,234	13,689	262	131
<b>Total cost of sales of goods, distribution costs and administrative expenses</b>	<b>511,088</b>	<b>527,715</b>	<b>27,215</b>	<b>28,226</b>



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**28 Income tax**

*Income tax recognised in profit or loss*

(Unit: Million Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Current tax</b>				
Current year	6,227	5,588	-	-
Over provided in prior years	(570)	(292)	-	-
	<b>5,657</b>	<b>5,296</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>				
Movements in temporary differences	(210)	(716)	(134)	(21)
Movements in tax losses	(1)	1,642	891	1,584
Effect from change in tax rate	-	(10)	-	-
	<b>(211)</b>	<b>916</b>	<b>757</b>	<b>1,563</b>
<b>Income tax expense</b>	<b>5,446</b>	<b>6,212</b>	<b>757</b>	<b>1,563</b>

*Income tax recognised in other comprehensive income*

(Unit: Million Baht)

	<b>Consolidated financial statements</b>					
	2019			2018		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on assets	178	(10)	168	-	(16)	(16)
Fair value changes on investments	(91)	(24)	(115)	(1,537)	277	(1,260)
Currency translation differences	(13,301)	328	(12,973)	(13,449)	69	(13,380)
Defined benefit plan actuarial gains (losses)	(1,308)	229	(1,079)	(63)	7	(56)
<b>Total</b>	<b>(14,522)</b>	<b>523</b>	<b>(13,999)</b>	<b>(15,049)</b>	<b>337</b>	<b>(14,712)</b>

(Unit: Million Baht)

	<b>Separate financial statements</b>					
	2019			2018		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Defined benefit plan actuarial gains (losses)	(414)	83	(331)	-	-	-
<b>Total</b>	<b>(414)</b>	<b>83</b>	<b>(331)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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*Income tax recognised in shareholders' equity*

(Unit: Million Baht)

	Consolidated financial statements					
	2019			2018		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures	751	(50)	701	751	(146)	605
Surplus on common control transaction	-	-	-	307	9	316
Revaluation differences on assets transferred to retained earnings	-	-	-	(1)	-	(1)
<b>Total</b>	<b>751</b>	<b>(50)</b>	<b>701</b>	<b>1,057</b>	<b>(137)</b>	<b>920</b>

(Unit: Million Baht)

	Separate financial statements					
	2019			2018		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Interest paid on subordinated perpetual debentures	751	(50)	701	751	(146)	605
Revaluation differences on assets transferred to retained earnings	-	-	-	(1)	-	(1)
<b>Total</b>	<b>751</b>	<b>(50)</b>	<b>701</b>	<b>750</b>	<b>(146)</b>	<b>604</b>

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*Reconciliation of effective tax rate*

(Unit: Million Baht)

	<b>Consolidated financial statements</b>				
Applicable tax rates	0%	10%	20%	Others	Total
<b>2019</b>					
Accounting profit before income tax, total	1,953	1,332	14,776	11,483	29,544
Tax at the applicable tax rates	-	133	2,955	2,201	5,289
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	366	(677)	1,038	727
Under (over) provided in prior years	-	-	5	(575)	(570)
<b>Total</b>	<b>-</b>	<b>499</b>	<b>2,283</b>	<b>2,664</b>	<b>5,446</b>
<b>2018</b>					
Accounting profit before income tax, total	3,730	1,545	12,456	9,906	27,637
Tax at the applicable tax rates	-	155	2,491	2,438	5,084
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	267	(347)	1,500	1,420
Under (over) provided in prior years	-	-	46	(338)	(292)
<b>Total</b>	<b>-</b>	<b>422</b>	<b>2,190</b>	<b>3,600</b>	<b>6,212</b>

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*Reconciliation of effective tax rate*

	(Unit: Million Baht)		
	Separate financial statements		
Applicable tax rates	0%	20%	Total
<b>2019</b>			
Accounting profit (loss) before income tax, total	(70)	7,055	6,985
Tax at the applicable tax rates	-	1,411	1,411
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(654)	(654)
<b>Total</b>	<b>-</b>	<b>757</b>	<b>757</b>
<b>2018</b>			
Accounting profit before income tax, total	331	15,129	15,460
Tax at the applicable tax rates	-	3,026	3,026
Tax effect of income and expenses that are not taxable income or taxable expenses, total	-	(1,463)	(1,463)
<b>Total</b>	<b>-</b>	<b>1,563</b>	<b>1,563</b>

*Deferred income tax*

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	3,156	3,384	956	1,573
Deferred tax liabilities	(7,882)	(9,087)	-	-
<b>Net deferred tax assets (liabilities)</b>	<b>(4,726)</b>	<b>(5,703)</b>	<b>956</b>	<b>1,573</b>

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Movements of deferred tax assets and liabilities during the year 2019 were as follows:

(Unit: Million Baht)

	Consolidated financial statements								
	At 31 December 2018 as reported	Effect from change in accounting policy	At 1 January 2019	Charged/Credited to			Acquired in business combination	Currency translation differences	At 31 December 2019
				Profit or loss	Other comprehensive income	Shareholders' equity			
Deferred tax assets	(981)	(167)	(1,148)	(512)	-	-	-	61	(1,599)
(liabilities)									
Biological assets	(981)	(167)	(1,148)	(512)	-	-	-	61	(1,599)
Investments	(170)	-	(170)	-	(24)	-	-	7	(187)
Tax losses	5,014	-	5,014	(395)	-	-	-	(143)	4,476
Other intangible assets	(3,187)	-	(3,187)	188	-	-	(85)	220	(2,864)
Property, plant and equipment	(6,499)	-	(6,499)	(58)	(10)	-	-	429	(6,138)
Provisions for employee benefits	733	-	733	431	229	-	-	(14)	1,379
Others	(613)	209	(404)	557	-	50	-	4	207
Total	(5,703)	42	(5,661)	211	195	50	(85)	564	(4,726)

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Movements of deferred tax assets and liabilities during the year 2018 were as follows:

(Unit: Million Baht)

	<b>Consolidated financial statements</b>					
	<b>At 1 January 2018</b>	<b>Charged/Credited to</b>			<b>Acquired in business combination</b>	<b>At 31 December 2018</b>
		<b>Profit or loss</b>	<b>Other comprehensive income</b>	<b>Shareholders' equity</b>	<b>Currency translation differences</b>	
<b><i>Deferred tax assets (liabilities)</i></b>						
Biological assets	(359)	(641)	-	-	19	(981)
Investments	(454)	-	277	-	7	(170)
Tax losses	5,880	(854)	-	150	(231)	5,014
Other intangible assets	(3,452)	257	-	4	45	(3,187)
Property, plant and equipment	(6,665)	(124)	(16)	69	300	(6,499)
Provisions for employee benefits	808	24	7	(89)	(17)	733
Others	(1,016)	422	-	3	(23)	(613)
<b>Total</b>	<b>(5,258)</b>	<b>(916)</b>	<b>268</b>	<b>137</b>	<b>100</b>	<b>(5,703)</b>

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Movements of deferred tax assets and liabilities during the year 2019 were as follows:

(Unit: Million Baht)

	Separate financial statements						
	At 31 December 2018 as reported	Effect from change in accounting policy	At 1 January 2019	Charged/Credited to			At 31 December 2019
				Profit or loss	Other comprehensive income	Retained earnings	
<b>Deferred tax assets (liabilities)</b>							
Investments	29	-	29	-	-	-	29
Land	(705)	-	(705)	-	-	-	(705)
Provisions for employee benefits	294	-	294	124	83	-	501
Tax losses	2,031	-	2,031	(891)	-	-	1,140
Others	(76)	7	(69)	10	-	50	(9)
<b>Total</b>	<b>1,573</b>	<b>7</b>	<b>1,580</b>	<b>(757)</b>	<b>83</b>	<b>50</b>	<b>956</b>

As at 31 December 2019, the Group and the Company had temporary differences arising from unutilised tax losses which have not been recognised as deferred tax assets in the statement of financial position totalling Baht 11,668 million (2018: Baht 9,480 million) and Baht 1,581 million (2018: Nil), respectively because it is not probable that tax benefit will be utilised in the foreseeable future.

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Movements of deferred tax assets and liabilities during the year 2018 were as follows:

	<i>(Unit: Million Baht)</i>		
	<b>Separate financial statements</b>		
	Charged/Credited to		
<b>At 1 January 2018</b>	Profit or loss	Other comprehensive income	<b>At 31 December 2018</b>
<b><i>Deferred tax assets (liabilities)</i></b>			
Investments	29	-	29
Land	(705)	-	(705)
Provisions for employee benefits	282	-	294
Tax losses	3,465	150	2,031
Others	(81)	(4)	(76)
<b>Total</b>	<b>2,990</b>	<b>146</b>	<b>1,573</b>



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**29 Promotional privileges**

By virtue of the provisions of the Industrial Investment Promotion Act B.E.2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and
- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December were summarised as follows:

*(Unit: Million Baht)*

	<b>Separate financial statements</b>					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2019	2018	2019	2018	2019	2018
Local sales	7,354	5,892	13,787	16,324	21,141	22,216
Export sales	179	556	3,142	3,249	3,321	3,805
<b>Total revenue from sale of goods</b>	<b>7,533</b>	<b>6,448</b>	<b>16,929</b>	<b>19,573</b>	<b>24,462</b>	<b>26,021</b>

**30 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December were based on the profit for the years attributable to ordinary shareholders of the Company less cumulative interest expense for the year net of income tax on subordinated perpetual debentures and the weighted average number of ordinary shares held by third parties outstanding during the years as follows:

*(Unit: Million Baht/Million shares)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<b>Profit for the year attributable to ordinary shareholders of the Company</b>	<b>18,456</b>	<b>15,531</b>	<b>6,228</b>	<b>13,897</b>
<i>Less: cumulative interest expense for the period net of income tax on subordinated perpetual debentures</i>	<i>(600)</i>	<i>(600)</i>	<i>(600)</i>	<i>(600)</i>
<b>Profit used in calculation of basic earnings per share</b>	<b>17,856</b>	<b>14,931</b>	<b>5,628</b>	<b>13,297</b>

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	<i>(Unit: Million Baht/Million shares)</i>			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Weighted average number of ordinary shares held by third parties outstanding</b>				
Number of ordinary shares outstanding at 1 January	8,611	8,611	8,611	8,611
Treasury shares held by subsidiaries	(426)	(426)	-	-
<b>Net</b>	<b><u>8,185</u></b>	<b><u>8,185</u></b>	<b><u>8,611</u></b>	<b><u>8,611</u></b>
<b>Basic earnings per share (in Baht)</b>	<b><u>2.18</u></b>	<b><u>1.82</u></b>	<b><u>0.65</u></b>	<b><u>1.54</u></b>

### 31 Dividends

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

<u>Approval date to pay dividends</u>	<u>Rate per share (Baht)</u>	<u>Number of entitled shares (Shares)</u>	<u>Total (in million Baht)</u>	<u>Source</u>
<b>2019</b>				
24 April 2019	0.30	8,611,242,385	2,583	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
13 August 2019	0.30	8,611,242,385	2,584	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
<b>Total</b>			<b><u>5,167</u></b>	
<b>2018</b>				
24 April 2018	0.25	8,611,242,385	2,153	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
10 August 2018	0.35	8,611,242,385	3,014	Dividends received from subsidiaries appropriated from taxable profits which were subject to 20% corporate income tax
<b>Total</b>			<b><u>5,167</u></b>	

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**32 Financial instruments**

*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.

*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.

*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. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

The interest rates of loans as at 31 December and the periods in which the loans mature were as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated financial statements</b>			
	Average interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2019</b>					
<b>Current</b>					
Short-term loans to joint ventures	4.74	188	-	-	188
<b>Non-current</b>					
Long-term loans to associate	3.51	-	29	-	29
<b>Total</b>		<b>188</b>	<b>29</b>	<b>-</b>	<b>217</b>
<b>2018</b>					
<b>Current</b>					
Short-term loans to joint ventures	4.85	17	-	-	17
<b>Non-current</b>					
Long-term loans to associate	4.95	-	6	-	6
<b>Total</b>		<b>17</b>	<b>6</b>	<b>-</b>	<b>23</b>

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The interest rates of loans as at 31 December and the periods in which the loans mature were as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Separate financial statements</b>			
	Interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2019</b>					
<b>Current</b>					
Short-term loans to subsidiaries	6.88	43,075	-	-	43,075
<b>Non-current</b>					
Long-term loans to subsidiaries	4.85 - 7.50	-	600	-	600
<b>Total</b>		<b>43,075</b>	<b>600</b>	<b>-</b>	<b>43,675</b>
<b>2018</b>					
<b>Current</b>					
Short-term loans to subsidiaries	7.13	60,622	-	-	60,622
<b>Non-current</b>					
Long-term loans to subsidiaries	5.00 - 7.50	-	15,673	-	15,673
<b>Total</b>		<b>60,622</b>	<b>15,673</b>	<b>-</b>	<b>76,295</b>

The interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature were as follows:

		<i>(Unit: Million Baht)</i>			
		<b>Consolidated financial statements</b>			
	Average interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2019</b>					
Bank overdrafts	1.95 - 7.14	1,717	-	-	1,717
Short-term borrowings from financial institutions	1.12 - 7.83	70,487	-	-	70,487
Bills of exchange	1.80 - 1.99	21,818	-	-	21,818
Short-term borrowings from joint ventures	2.00	657	-	-	657
Long-term borrowings from financial institutions	1.28 - 11.00	21,144	57,072	1,562	79,778
Debentures	2.84 - 4.27	21,260	61,789	73,600	156,649
Finance lease liabilities	1.32 - 16.72	324	720	1,752	2,796
<b>Total</b>		<b>137,407</b>	<b>119,581</b>	<b>76,914</b>	<b>333,902</b>

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The interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Average interest rates (% per annum)	(Unit: Million Baht) Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2018</b>					
Bank overdrafts	1.95 - 7.14	1,435	-	-	1,435
Short-term borrowings from financial institutions	1.11 - 8.75	59,877	-	-	59,877
Bills of exchange	1.75 - 1.87	32,244	-	-	32,244
Short-term borrowings from joint ventures	2.00	661	-	-	661
Long-term borrowings from financial institutions	1.32 - 15.00	13,778	64,029	3,696	81,503
Debentures	2.84 - 4.87	13,190	69,243	70,300	152,733
Finance lease liabilities	1.20 - 21.70	160	25	1,655	1,840
<b>Total</b>		<b>121,345</b>	<b>133,297</b>	<b>75,651</b>	<b>330,293</b>

The interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Interest rates (% per annum)	(Unit: Million Baht) Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2019</b>					
Bank overdrafts	MOR	3	-	-	3
Short-term borrowings from financial institutions	1.65 - 1.75	2,850	-	-	2,850
Bills of exchange	1.61 - 2.27	16,339	-	-	16,339
Short-term borrowing from subsidiary	3.81 - 3.90	6,500	-	-	6,500
Long-term borrowings from financial institutions	4.01 - 4.81	260	2,968	-	3,228
Debentures	2.28 - 5.42	16,260	33,240	43,000	92,500
<b>Total</b>		<b>42,212</b>	<b>36,208</b>	<b>43,000</b>	<b>121,420</b>
<b>2018</b>					
Bank overdrafts	MOR	3	-	-	3
Bills of exchange	1.71 - 2.17	17,204	-	-	17,204
Debentures	2.28 - 5.42	8,500	43,800	48,700	101,000
Long-term borrowings from financial institutions	3.94 - 4.21	-	-	2,879	2,879
<b>Total</b>		<b>25,707</b>	<b>43,800</b>	<b>51,579</b>	<b>121,086</b>

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As at 31 December 2019, the Group had cross currency and interest rate swap agreements with the financial institutions to manage exposure of fluctuations in foreign exchange rates and interest rates as follows:

- 1) The Company had cross currency and interest rate swap agreements with certain financial institutions for long-term borrowing totaling U.S. Dollar 104 million. The Company has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rates refer to LIBOR plus specified rate.
- 2) A subsidiary had several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 100 million. The subsidiary has commitments to make payments for the fixed interest rate in Baht and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.
- 3) A subsidiary had several cross currency swap agreements with a financial institution for long-term borrowings totalling Euro 7 million. The subsidiary has commitments to make payments for the fixed interest rate in Indian Rupee and the counterparty has commitments to make payments in Euro for the fixed interest rate.
- 4) A subsidiary had several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totalling U.S. Dollar 4 million. The subsidiary has commitments to make payments for the fixed interest rate in Indian Rupee and the counterparty has commitments to make payments in U.S. Dollar for the interest rate refer to LIBOR plus specified rate.

***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 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

				<i>(Unit: Million)</i>	
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
Foreign currency		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Accounts receivable - trade and others</b>					
Foreign currencies	Won	17,549	13,656	-	-
	Yen	142	181	65	48
	Renminbi	87	7	87	83
	United States Dollar	43	65	7	18
	Swedish Krona	24	19	-	-
	Euro	12	4	1	1
	Singapore Dollar	10	12	-	-
	Rand	10	4	-	2
	Australian Dollar	2	2	3	8
	Pound Sterling	-	2	1	1
Currency forwards	Won	17,549	13,656	-	-
	Yen	142	181	65	48
	Renminbi	87	7	87	83
	United States Dollar	33	53	7	18
	Singapore Dollar	10	12	-	-
	Rand	10	4	-	2
	Australian Dollar	2	1	3	8
	Euro	-	-	1	1
	Pound Sterling	-	-	1	1
<b>Long-term loans to subsidiaries</b>					
Foreign currencies	United States Dollar	-	-	-	478
<b>Interest-bearing liabilities</b>					
Foreign currencies	United States Dollar	394	486	104	92
	Euro	11	9	-	-
	Canada Dollar	3	-	-	-
Currency forwards and cross currency and interest rate swaps	United States Dollar	369	386	104	92
	Euro	7	-	-	-

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		(Unit: Million)			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
Foreign currency		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Accounts payable - trade and others</b>					
Foreign currencies	Yen	173	158	-	-
	United States Dollar	99	117	-	-
	Euro	15	33	-	-
	Zloty	6	6	-	-
	Renminbi	3	3	-	-
	Swedish Krona	1	1	-	-
	Ringgit	1	-	-	-
	Singapore Dollar	1	-	-	-
Currency forwards	Yen	172	156	-	-
	United States Dollar	100	48	-	-
	Euro	3	21	-	-
	Renminbi	2	-	-	-
	Ringgit	1	-	-	-
<b>Forecast sales</b>					
Currency forwards	Yen	4,825	2,015	663	153
	Won	2,212	323	-	-
	United States Dollar	100	104	4	12
	Hong Kong Dollar	47	42	-	-
	Pound Sterling	31	53	2	-
	Canada Dollar	21	1	-	-
	Singapore Dollar	10	9	-	-
	Euro	9	9	-	-
	Renminbi	7	-	6	-
	Australian Dollar	3	9	2	8
	Rand	1	3	-	-
	New Zealand Dollar	1	-	-	-
<b>Forecast purchases</b>					
Foreign currencies	Euro	10	-	-	-
	United States Dollar	2	-	-	-
Currency forwards	United States Dollar	112	47	-	-
	Zloty	67	70	-	-
	Yen	20	44	-	-
	Euro	11	4	-	-
	Ringgit	1	1	-	-
	Renminbi	-	3	-	-
	Danish Krone	-	1	-	-



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***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

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. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in financial statement at the reporting date. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

***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.

***Determination of fair values***

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

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Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

	Carrying amount	(Unit: Million Baht)			
		<b>Consolidated financial statements</b>			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2019</b>					
<b>Financial assets</b>					
Forward contracts	621	-	509	-	509
Cross currency and interest rate swaps	15	-	566	-	566
<b>Financial liabilities</b>					
Forward contracts	3	-	65	-	65
Cross currency and interest rate swaps	221	-	377	-	377
Debentures	153,852	-	164,899	-	164,899
Exchangeable Bonds	2,797	-	2,941	-	2,941
<b>31 December 2018</b>					
<b>Financial assets</b>					
Forward contracts	920	-	840	-	840
Cross currency and interest rate swaps	243	-	217	-	217
<b>Financial liabilities</b>					
Forward contracts	8	-	12	-	12
Debentures	149,691	-	153,916	-	153,916
Exchangeable Bonds	3,042	-	3,074	-	3,074

	Carrying amount	(Unit: Million Baht)			
		<b>Separate financial statements</b>			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2019</b>					
<b>Financial assets</b>					
Forward contracts	29	-	9	-	9
<b>Financial liabilities</b>					
Cross currency and interest rate swaps	105	-	207	-	207
Debentures	92,500	-	100,447	-	100,447
<b>31 December 2018</b>					
<b>Financial assets</b>					
Forward contracts	59	-	30	-	30
<b>Financial liabilities</b>					
Cross currency and interest rate swaps	96	-	73	-	73
Debentures	101,000	-	104,633	-	104,633

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Level 2 fair values for over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate. The fair values of forward contracts, cross currency swaps and interest rate swaps were remeasurement of the rates initially quoted by the Group's bankers with the rates based on market conditions existing at the end of the reporting period.

Level 2 fair values for debentures of the Company and CPF (Thailand) Public Company Limited have been determined based on quoted prices in the debenture market from the Thai Bond Market Association by using the closing price at the end of the reporting period.

Level 2 fair values for debentures of Chia Tai Investment Co., Ltd. have been determined based on quoted prices in the bond market from the Shanghai Stock Exchange by using the closing price at the end of the reporting period.

Level 2 fair values for the Exchangeable Bonds ("EBs") have been determined based on quoted prices in the EBs market traded in overseas market by using the closing price at the end of the reporting period.

### **33 Commitments with non-related parties**

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

#### **33.1 Capital commitments**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<i>Contracted but not provided for</i>				
Land, buildings and constructions	5,211	2,407	-	2
Machinery, equipment and others	4,376	2,083	546	29
<b>Total</b>	<b>9,587</b>	<b>4,490</b>	<b>546</b>	<b>31</b>

#### **33.2 Commitments under operating lease agreements**

	<b>Consolidated</b>		<i>(Unit: Million Baht)</i> <b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<i>Future minimum lease payments</i>				
<i>under non-cancellable</i>				
<i>operating leases</i>				
Within one year	4,968	4,331	101	119
Over one year but within five years	14,227	12,136	112	88
Over five years	17,614	13,984	1	2
<b>Total</b>	<b>36,809</b>	<b>30,451</b>	<b>214</b>	<b>209</b>

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 70 years expiring in 2020 to 2087.

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**33.3 Other commitments**

The Company had a Cooperative Technical agreement with Maejo University (the “university”) whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center which will be terminated as at 31 December 2022. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company’s assets in respect to the agreement as at 31 December 2019 totalled Baht 14 million (2018: Baht 22 million).

**33.4 Letters of credit**

Certain subsidiaries had commitments under the issued letters of credit totalling Baht 2,065 million (2018: the Company and certain subsidiaries had commitments totalling Baht 3 million and Baht 1,559 million, respectively).

**33.5 Letters of guarantee**

- (a) 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 totalling Baht 16 million and Baht 9,192 million, respectively (2018: Baht 17 million and Baht 9,350 million, respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sale of goods.
- (b) Certain foreign subsidiaries have commitments with foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totalling Baht 314 million (2018: Baht 482 million).

**34 Events after the reporting period**

The COVID-19 coronavirus outbreak occurred after the reporting period could have brought the indirect impact to the business in the outbreak area in China. However, the Group has put the contingency measures in place to lower the impact from the outbreak.

**35 Thai Financial Reporting Standards not yet adopted**

New and revised TFRS, which are relevant to the Group’s operations, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* TFRS - Financial instruments standards

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***(a) TFRS - Financial instruments standards***

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled. The impact from adoption of TFRS – Financial instruments are as follows:

**(i) Classification – Financial assets**

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

Under TFRS 9, derivatives will be measured at FVTPL. It shall replace current accounting policies of the Group on recognition when the derivatives were exercised.

**(ii) Impairment – Financial assets**

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

**(iii) Classification – Financial liabilities**

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

Under TFRS 9, changes in fair value of financial liabilities classified as FVTPL are generally presented as follows:

- the amount of fair value that changes due to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of fair value changed is presented in profit or loss.

**(iv) Hedge accounting**

TFRS 9 introduces guidance on hedge accounting while current TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Group is required to ensure that hedge accounting relationships are aligned with the Group’ risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assess hedge effectiveness.

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Currently, the Group had derivative for currency exchange rate risk and interest rate risk which was recognised in accordance with the accounting policy as disclosed in note 4 (d). However, TFRS 9 had an option to apply the hedge accounting for any transactions that meet the specific requirement of hedge accounting under TFRS 9 at date of initial application.

*Transition*

The Group expects to initially adopt these TFRS by adjusting the impact to retained earnings or other component of equity on 1 January 2020, with no restatement of comparative information.

The Group has assessed the preliminary impact of initially applying the relevant Thai Financial Reporting Standards of financial instruments on the financial statements. As at 1 January 2020, total assets of the Group and the Company will increase approximately by Baht 10,000 million and Baht 500 million, respectively. Total liabilities of the Group and the Company will increase approximately by Baht 3,000 million and Baht 200 million, respectively. In addition, retained earnings of the Group and the Company will increase approximately by Baht 7,000 million and Baht 300 million, respectively.

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

*Transition*

The Group expects to initially adopt TFRS 16 using the modified retrospective approach by adjusting the impact to the retained earnings on 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The Group has assessed the preliminary impact of initially applying TFRS 16 on the financial statements. As at 1 January 2020, the Group and the Company expect to recognise the increase in right-of-use assets approximately by Baht 25,000 million and Baht 400 million, respectively, and recognise the increase in lease liabilities approximately by Baht 27,000 million and Baht 400 million, respectively. In addition, retained earnings of the Group will decrease approximately by Baht 2,000 million, and expect that there will be no significant impact to retained earnings of the Company.